# China's relations with the developing world: a new type of colonialism or a fruitful cooperation

> *"In order to maintain peace and stability and to promote prosperity and development in the region friendly relationships and pragmatic cooperation with neighbouring countries will be deepened, as well as unity and cooperation with developing countries will be enhanced and traditional friendship and common interests will be maintained."*
>
> $12^{th}$ Five-Year Plan, Chapter 53

## 1. Introduction

The Peoples Republic of China (PRC) decided to strengthen its relationship with the developing world already in the 50s and 60s, in parallel with the rupture between the country and the USSR. Although the Chinese leadership didn't have the necessary sources and influence in the beginning, this policy was reconfirmed in the 70s, got a new meaning after the collapse of the bipolar world and enjoys an increasing success since the new millennium.

Despite the fact that this strategy is well suited both to the 'harmonious world' concept and to China's vision of the multipolar world, and it is also an effective ground for China's soft power, some refers to China's presence in the developing world as a new type of colonialism (for example, Bergesen, 2008; Sharife 2009; Jauch, 2011). They argue that China's appearance doesn't bring new opportunities to the countries of the Third World, in fact they get another oppressive power ruthlessly exploiting their resources. Undoubtedly, China's increased influence in these regions hurts interests, primarily the interests of other – mostly Western – powers, whose influence is overshadowed by China in the countries of the developing world.

Although the developing regions and countries differ in many ways from each other, there are several common features in their relationship with China. These countries and regions were mostly under the supremacy – or in the economic sphere – of other (mainly Western) powers due to their colonial past or other historical reasons. This historic dependence prevailed in the modern era as well and resulted in a hierarchical relationship, where the developed state still wants to dictate and intends to enforce its own rules and system to the developing state. Today, the Chinese expansion questions the leadership of the United States and Europe in Latin America, Africa, East Asia, and the leading role of Russia in Central Asia.

The following sub-chapters are organized as follows: Sub-chapter 2 gives an overview of the relationships between China and some regions of the developing world, analysing Beijing's foreign policy towards the ASEAN-region, Central Asia, Africa and Latin America. Sub-chapter 3 focuses on the main (economic) pillars of the relations with the above mentioned regions, especially on the Chinese side. Trade and investment relations (sub-chapter 3.1) are strengthening, the developing world has a growing share of Chinese merchandise export as well as Chinese outward foreign direct investment in recent years, while these countries are also becoming the cure for China's hunger for energy (sub-chapter 3.2). Sub-chapter 4 provides some conclusions.

## 2. Overview of the relations

During the period of China's reform and opening up, when the country started to settle its diplomatic relations with the great powers, Beijing's foreign policy has become increasingly pragmatic towards the developing countries too. However, while in the 70s and 80s the Asia-Pacific region - although somewhat pushed into the background – remained relatively important partner to China, the countries of Africa and Latin America did not play a central role in Beijing's diplomacy at that time. Shortly after the end of the Cold War and the transformation of the international system, the cooperation between China and the developing countries gained a momentum for two reasons:

1. On the one hand, China's economic and political interest has increased significantly towards these areas, several new efforts were made to build a comprehensive partnership with the old Asian friends and the new African and Latin American partners.
2. On the other hand, for many developing countries - especially for those that had troubled relations with the United States or Europe or drifted to the edge of the international system – the rise of China became a promising opportunity for catching up, while the possibility that China might contribute to a multipolar world, from which they could benefit as well, also resulted in positive expectations (Ding, 2008, p. 198).

Analysing China's relations to the developing regions, its relation to Asia, especially to the Asia-Pacific region, seems to be the most ancient and utmost important relationship, as the consequences of China's growth or the effects of its rise of power had their strongest influence here first. In addition to that, the way China is managing its own growth and wield its power in the region is an important indicator of how it will act as a global power in the future (Martin, 2009, p. 273). Throughout its history, China used to be the dominant and leading power of its own neighbourhood. The size of its territory and population alone made it the most important factor in this region. Nowadays, the Asia-Pacific region is reshaped by the growth of China, the region's agenda is determined directly or indirectly by Beijing, which affects the countries of this region as a kind of gravitational field. These countries – although there are still tensions between them – have no intention to seriously deteriorate their relationship with the PRC.

Despite of the above mentioned historical roots China does not have an easy ride here as this region is the home of more than one-third of the world's total population, where China is facing with two challenges, the Japanese economic power and the military of the US, and also bounded by two other potential regional power, Russia and India. China's rise as a regional power is thus hampered by several challenges, of which the border disputes causes most of the tensions between China and its mentioned neighbours. Major territorial and border disputes related to the following areas in the Asia-Pacific region: Taiwan, Paracel Islands, Spratly Islands, Senkaku (Diaoyu) Islands, the Socotra (Suyan) Rock, and a part of the Sino-Indian border. Although the most problematic disputes are still to be settled, in parallel with its regional power ambitions, China managed to find a solution to many of its border disputes, primarily with Russia and Central Asian countries and as far as its strategic interests allows, it will continue to work to address these issues.

China seeks to develop good-neighbourly relations, so it is using the methods of confidence-building, economic integration and multilateral cooperation to maintain mutual interests and regional stability and to reduce security tensions (Bergsten et al., 2009, pp. 220-221). Cooperation in the field of infrastructural projects is one of the popular tools of China's for building regional identity and solidarity. This kind of cooperation is realized in many countries in recent years from North and Southeast Asia to Central and South Asia. China's involvement in regional organizations is an even more significant method: the ASEAN+3 initiative (ASEAN countries with South Korea, Japan and China), the ASEAN+6 initiative (in addition to the foregoing, Australia, India and New Zealand), and the Shanghai Cooperation Organisation (Russia and Central Asian countries) all demonstrate China's regional cooperation efforts. However, the intensity of economic relations outweighs the importance of political, regional and development cooperation since interdependences between China and the region is getting stronger due to the significant increase in intra-regional trade: for example, trade between ASEAN and China grow more than 20 percent per year since 2002 (Tran, 2010, p. 89).

As some of the countries of the region – in contrast to African and Latin American countries – are often fear of the growth of China's regional influence, Beijing uses the method of ‘smile diplomacy’ to defuse these concerns (Ding, 2008, p. 203). This strategy includes the tools of soft power, through which the countries of the region can be convinced of China's peaceful intentions, emphasizing that the country does not seek hegemony in the region, but wants to build good neighbourly relations with them. To this end, Beijing has pointed out many times that it aims to bring prosperity and security to the region, therefore mutual confidence and cooperation need to be strengthened, while existing tensions have to be solved. As a part of this strategy, China gave economic assistance to the countries most affected by the 1997 Asian financial crisis, took an active part in resolving the 2002 North Korean nuclear crisis and it also attempts to reduce its military presence in the case of border disputes or at least use it for a short time, for demonstrative purposes only. China’s increasingly active role and efforts for the benefit of the region in the intra-regional and multilateral organizations are also part of this process, just like the improvement in China-Taiwan relations in recent years.

Although border disputes create tensions from time to time, the above mentioned method seems to be successful as the countries of the region have a more positive attitude towards China in recent years, the China-threat is fading, while China is increasingly considered as a source of opportunities for several countries in the region. For example, *Deng* cites a South Korean public opinion research from 2005, in which the majority of respondents are of the opinion that the United States and Japan are much more dangerous for the country than China, the Korean foreign policy should therefore turn more towards the PRC (Deng, 2008, p. 205). Beijing's influence in the region is of growing importance, more and more East Asian diplomats seek the opinions of the Chinese diplomats in various international forums (Cody, 2005), and these countries are increasingly taking into account China's interests when taking decisions.

However, despite of the Sino-Indian Strategic and Cooperative Partnership for Peace and Prosperity established in 2005, their relationship is troubled with issues like historical grievances, border disputes, India’s continuing sanctuary to the Dalai Lama as well as conflicting views on great power intentions or perceptions on South Asia. Moreover, the China-Pakistan relation hampers this partnership even more as the links between Beijing and Islamabad are quite strong since the 60s, moreover, China's interests in Central Asia and in the Middle East could motivate even stronger relationship. Today, China is Pakistan’s largest supplier of arms and they are also cooperating in Pakistan’s nuclear power sector. Beijing supports Islamabad’s position on Kashmir, while Pakistan supports China on the issues of Xinjiang, Tibet and Taiwan (Steinbock, 2013).

In the 90s Central Asia seemed to be the subject to an increased competition between the United States and Russia, but today it is more likely that China's influence is further strengthened, marginalizing the role of other powers. Beijing aims to attach this region to its own Asia-Pacific sphere of influence: it tries to control the arms and drug trade within the area bounded by Xinjiang, Kyrgyzstan, Tajikistan and Afghanistan to avoid destabilization, furthermore, it tries to influence this area both economically and culturally. China's presence in Central Asia has become quite widespread, settles in all possible sectors, filling the vacuum left behind by the former Soviet Union. Central Asia is not only an important border area in terms of stability but a significant transit region to Iran, Afghanistan, to Pakistan and India, while it may partly cover China's growing energy demand as there are significant sources of oil as well as natural gas.

The China-Africa relationship – as Beijing is regularly stressing – is also rooted in the past, but compared to Asian relations it is rather a new one. Already in the 50s and 60s, China identified itself with the less developed countries of the continent to promote Chinese-style communism against Soviet and U.S. ideologies. For example, in southern Africa a number of liberation movements were supported diplomatically and even militarily by China, if these movements have highlighted the values of Maoism (Alden, 2010, pp. 29-33). Beijing sought broad alliances with countries in the region, for which it used large-scale projects and aids (Vári, 2009, p. 225). However, at that time, economic and political relations were not the main driving force of these steps, since China built these partnerships for diplomatic reasons, mainly for the issue of Taiwan’s ‘non-recognition’. Diplomatic cooperation was not followed by major economic and political agreements (Kiss-Tétényi, 2009, p. 267) in the first decades.

After the Chinese Cultural Revolution, the Official Development Assistance (ODA) has become a cornerstone of the relationship, which was mostly used for infrastructure development. Within this framework, China gave a total of 4.9 billion USD assistance to African countries between 1957 and 1989. In most of these cases, the involvement of Chinese companies and suppliers was one of the conditions but a smaller part of this assistance reached the continent through international channels, such as World Health Organization or other UN organizations (Alden, 2010, pp. 34-35). From the 80s China placed more emphasis on the profitable forms of economic cooperation with Africa. Several Chinese companies got a foothold in the continent to participate in construction projects financed by Chinese money.

In addition to the involvement of Chinese companies, Chinese commodities were also necessary to use.

Although many people still blame China for the above mentioned steps, it should not be forgotten that China's support to Africa has never been motivated by goodwill but profit, however, China always tried to ensure the benefit of both sides, yet to varying degrees. And the Chinese support was helpful to the countries of the continent indeed, as these developments could not be carried out otherwise. Additional important result of the Chinese assistance was that it made the African political and business elite the friends of China[1]. These countries – as they typically vote in blocks in international organizations – can be expected in all cases when China, the Chinese foreign policy, or the issues of human rights is criticized (Alden, 2010, p. 34.).

After the end of the cold war Africa lost its former strategic attractiveness to the main powers, therefore foreign assistance became more important to the continent. Hence, China could launch its 'diplomatic offensive' to Africa without having challengers at all: the U.S. and Russia turned away from the region, which was coupled with the indifference of the European countries. In this position, the tools of public diplomacy, such as cultural diplomacy, complemented China's economic instruments[2]. Today, although the value of China's multilateral assistance is increasing, the major part of it is still provided bilaterally. Nearly half of China's assistance directed towards Asia, but about a third of it arrives at Africa, and only ten percent goes to Latin America (Vári, 2009, p. 230). However, it is also true that more assistance is given to friendly countries than for those, who have any kind of dispute with China[3].

Undoubtedly, raw materials and energy resources are Africa's main attraction for China but Beijing strengthens its ties with the region because it is looking for reliable allies too. To this end, China helps, where others are not willing to help. For example, at the end of the 90s, when Ethiopia attacked Eritrea, the United States reduced its diplomatic presence in the country, while China sent new diplomats, engineers and teachers. It also helped Angola with loans and technical assistance in the economic reconstruction after the civil war, and also

[1] One of the consequences of this new friendship was that Africa didn't support the international reaction to the Tienanmen Square intervention in 1989.

[2] The China Radio International and several Confucius Institutes appeared in the region; many cultural agreements were concluded; African students get a lot of scholarship opportunities from the Chinese Government yearly; and Chinese tourism has flourished significantly as well.

[3] For example, the Chinese government so far has pledged only 1.6 million USD to the Philippines in the wake of the devastating Typhoon Haiyan, 2013. In comparison, the U.S. aid sum is more than $37 million, and the Chinese amount is still less than the 2.7 million USD offered by Swedish furniture company IKEA. One reason for that might be that China has an ongoing dispute with the Philippines over the South China Sea.

provided assistance to Nigeria several times. Today, these countries are the major African partners of China.

China intends to treat the African countries as equal partners, suggesting that they are all developing countries. In contrast to the Western powers, China doesn’t have political requirements, but it respects and supports African countries' independence, sovereignty, political systems and traditions. This strategy – as *Ding* points out – makes China sympathetic not only for African leaders but for African people as well, who truly believe that Chinese businessmen don’t want to exploit Africa, but want to create mutual benefit (Ding, 2008, pp. 200-201). Almost all African countries stand up for China in international forums, there are only four underdeveloped countries[4] that maintains diplomatic relations with Taiwan, while the rest of the continent recognizes the PRC.

While the Asia Pacific and Central Asian region were bound to China because of geographical proximity and historical roots from the beginning, and China-Africa relations also started to deepen in the 50s-60s, Latin America appeared later on China’s horizon: Chinese diplomatic support was rather rhetorical in the 60s and 70s. The relationship’s revival took place in the mid 90s, in parallel with a significant increase in Chinese export to the continent. For China, this region is an important source of raw material, energy and food, while Latin American markets are also reliable demanders of cheap Chinese products (Lehoczki, 2008, p. 178). Additionally, the region also has several votes in international forums.

The fact that half of the countries recognizing Taiwan in the world are in this region (mainly in Central America and the Caribbean) also makes this continent important for China. Taiwan maintains close contacts with the region and tries to maintain the loyalty of these countries through economic assistance. However, Taiwan's ‘dollar diplomacy’ met a strong challenger in the last decade: for example, Grenada recognized the PRC instead of Taiwan after it received nearly 5 billion USD Chinese assistance after the devastation of the hurricane in 2004 (Sutter, 2010, p. 332). Several countries – which recognize Taiwan for the time being – signed tourism cooperation with Beijing in recent years.

Soft-power tools are often used in the case of Latin American countries too, as Chinese political values and economic model of development is ever more attractive to the countries of the region: the region went through major political and economic transformation in recent times, as a result, left or centre-left governments have come to power in several

[4] Swaziland, Gambia, Burkina Faso, and Sao Tome and Principe.

countries[5], anti-free market and anti-U.S. movements are became stronger, while in terms of economic development, China's unique development path is becoming sympathetic for them (Ding, 2008, p. 207).

Since the early 2000s – in 2001, Jiang Zemin visited several countries of the region – the number of diplomatic visits increased significantly between China and the countries of the region, the diplomatic delegations were supplemented by businessmen delegations quite frequently. In the middle of 2000s, Hu Jintao also visited its partners in the region, as a result China received market economy status from Argentina and Brazil. In addition to these two countries, China entered into strategic alliance with Mexico, Venezuela and Chile, while it still has close and friendly relations with Cuba, and sent four peacekeeping team to Haiti for example, where it assisted the elections as well.

The motto of China's presence in Latin America is basically the same as in the case of Asia or Africa: economic cooperation without political interference in domestic affairs. According to Chinese and Latin American point of view, this is exactly the opposite of what they received from western countries in the past as economic cooperation has always been a tool of political influence. In this relationship, Beijing also stresses the importance of win-win cooperation, which should be useful and beneficial to both sides. For the Latin American countries – especially for those that are isolated and don't have friendly relations with the U.S. or the EU – China means access to one of the fastest growing markets as well as to the necessary investments, without political expectations. In return, China obtains energy resources, raw materials, agricultural products, and other factors, which it needs for further economic development. In addition, it also wins new allies to contain Taiwan's independence aspirations and strengthen its international position.

## 3. Main pillars of the relation

China often characterizes itself as a responsible developing country, whose main purpose is to embrace the developing world through aid, cultural relations, the increasing level of investments and the expansion of trade. In the last decades, especially since the turn of the millennium, the country acts accordingly, building intensifying political as well as trade and investment relations with the countries of the developing world, however, not only with the intention of good will but in accordance with its own interests and growing needs for energy and raw materials.

[5] Such as in Bolivia, Argentina, Brazil, Uruguay and Chile.

This expansion generates many debates internationally, mostly about the nature of China's intentions. Much of these debates focus on the China-Africa relations with the subject that China – like a traditional colonial power – is exploiting Africa's natural treasures. Most of these critics are coming from the Western World since through the strengthening of China's influence Western interests are violated. China stresses that its relation to the developing countries based simply on each other's comparative advantages since China has the essential capital and technology to the development of Africa or Latin-America, while the countries of these regions are able to provide raw materials and energy resources necessary for China.

The next sub-chapters aim to examine the main dimensions of the relationship between China and the developing world, analysing the expansion and features of trade relations, the development and characteristics of investment and China's demand for energy.

### *3.1. Trade and investment relations*

Following the introduction of the reform and opening up policy, foreign trade became a decisive factor in China's development. As part of this process, the PRC established trade relations with almost every country in the world, which it developed continuously: it strengthened its existing relationships through the deepening of trade relations with the developed world and its Asian partners, while the developing countries of Africa and Latin-America had also been emerged as important partners. After the turn of the millennium the developing world began to play an increasingly important role in China's trade and capital export. According to Chinese statistics, in China's total trade in goods from 2005 to 2010

- the proportion of trade with ASEAN increased from 9.2 percent to 9.8 percent,
- with other BRIC countries from 4.9 percent to 6.9 percent,
- with Latin America from 3.5 percent to 6.2 percent,
- and with Africa from 2.8 percent to 4.3 percent[6].

Successful trade relations were followed by an increasing amount of Chinese investment, through which both China is able to obtain raw materials and energy resources and the developing countries are getting access to resources for development. In many cases the extent and nature of these resources has provided the opportunity to such development, for which the developing – mainly African – countries waited in vain for decades from the West.

In general, Asia has always been China's most important export market, although its share started to decrease at the end of the nineties, mainly after the China's accession to the

[6] The data are derived from Ministry of Commerce (MOFCOM) of the People's Republic of China, based on the summary of China Daily: http://www.chinadaily.com.cn/bizchina/2011-12/08/content_14232230.htm

World Trade Organization: according to MOFCOM data, it reached its peak – 62 percent of China’s total export – in 1995 and decreased to 53 percent in 2001. Chinese import is also a good example for the Asia-focused nature of Chinese trade: in 2001, 60 percent of China's imports originated from Asia (Fung et al., 2002). This was certainly due to the increasing role of the (East) Asian production networks and China’s involvement within that.[7]

However, as Asia is the largest and most populated continent, which includes areas with different level of economic development as well as different structure of trade, it is hard to analyse China’s relation to this developing region as a whole. Therefore, within China’s relationship with Asia, the sub-chapter deals with China’s relation to the two major organizations (and its member states) within this region, the Association of Southeast Asian Nations (ASEAN) and the Shanghai Cooperation Organisation (SCO) with a brief outlook on Sino-Indian relations.

Economic relations between China and ASEAN member states started to increase rapidly from the 90s, before that China didn’t even have formal relationship with the association, only with its individual member states on a bilateral basis. *Völgyi* divides the development of the China-ASEAN relationship into three phases: a comprehensive dialogue was evolved between 1991 and 1996, partnership based on mutual trust built up between 1997 and 2002, while from 2003 onwards, there relationship has been qualified as strategic partnership (Völgyi, 2011, p. 80). Based on ASEANstats[8], the bilateral trade between China and ASEAN increased by 20.4 percent annually between 1991 and 2000, reaching 39,5 billion USD by the turn of the millennium. According to *Völgyi*, bilateral merchandised trade between China and ASEAN member states increased nearly thirty times in the last two decades (Völgyi, 2011, p. 83).

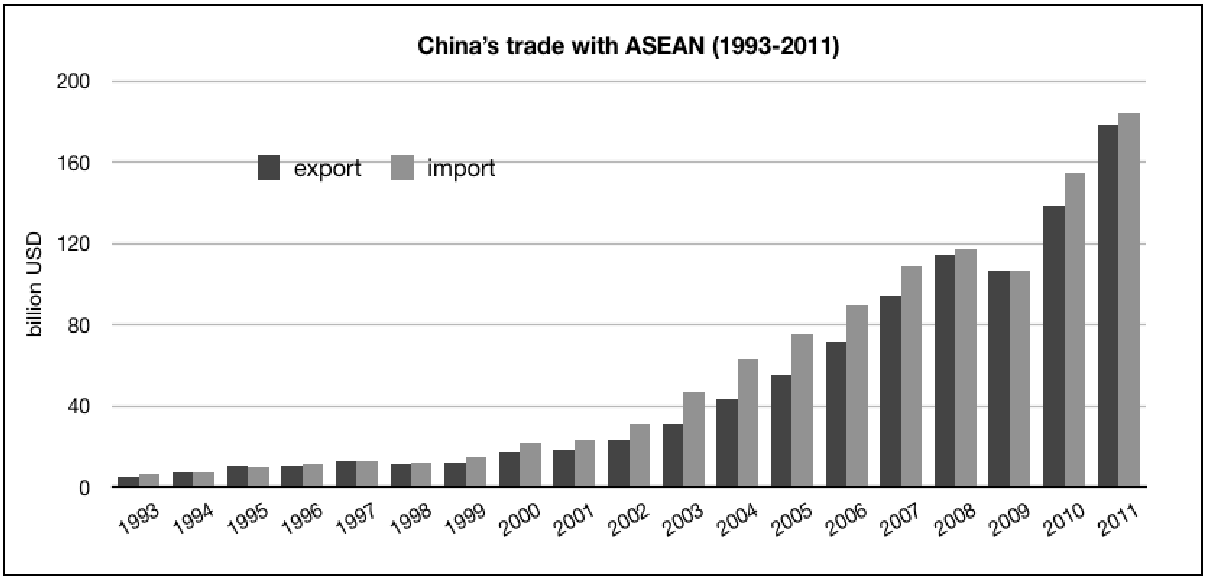
As shown in *Figure 1.*, there was a slight decrease in 2009 as a result of the economic and financial crisis, which was far exceeded by 2010. According to Chinese statistics, the volume of the China-ASEAN bilateral trade was 362,3 billion USD in 2011, that is to say, China has maintained its previous position as the largest trading partner of ASEAN, while ASEAN became China's third largest trading relation, ahead of Japan. Moreover, most estimates say that by 2015 it is likely that they surpass 500 billion USD.

Among the countries of ASEAN, Singapore and Malaysia are the two major trading partner of China, representing nearly half of the trade between China and ASEAN.

[7] According to this theory, China more intensively relies on processing inputs from East Asia than from countries outside of East Asia.

[8] Official statistical database of the ASEAN: http://www.aseansec.org/22122.htm

**Figure 1.**




Source: China Statistical Database and MOFCOM

Regarding the structure of trade, the main products of ASEAN's export to China are electrical machinery, mechanical equipment and parts, nuclear reactors and boilers, mineral fuels and oil products, rubber and articles thereof, animal or vegetable fats and oils, plastics and chemicals. The structure of ASEAN‘s import from China is quite similar to the structure of its export with the only exception that in this case the trade of iron as well as steel and products thereof is more significant (Völgyi, 2011, p. 84).

China's investment in ASEAN-countries shows a different pattern compared to African and Latin-American relations as the latter regions typically do not appear in China as an investor only as a recipient of Chinese capital, while in the case of China-ASEAN relations both sides are significant investor in each other's regions, furthermore, ASEAN-investments in China exceeds the amount of Chinese capital in ASEAN countries.

In 2010, ASEAN invested 6,32 billion USD in China, which is more than 35 percent increase over the previous year. According to official statistics of ASEAN, Chinese FDI decreased from 3,9 billion USD in 2009 to 2,7 billion USD in 2010 as a result of the crisis. However, this amount is still significant when compared to Chinese investment worth of only 300 million USD in 2003. Based on Chinese Statistical Office data, Chinese FDI stock in ASEAN member states amounted to 12,5 billion USD by 2011, nearly half of that was realized in the previous two years. The main sectors of Chinese outward foreign direct investments are similar to other relations of China in the developing world: agriculture, manufacturing, mining, tourism, electricity and infrastructure.

The history of trade relations between China and Central Asia can be divided into three periods, too. The first period, 1992-1996, is characterized by the continuation of the former family, clan-level and regional trade networks. Trade volume during this period was between 350 and 700 million USD annually. The second period, 1997-2001, is characterized by a slow but noteworthy increase of approximately 25 percent. After the establishment of SCO in 1996, the appearance and success of the Chinese companies in the region was somewhat overshadowed by the economic crisis of the Central Asian states, the financial and economic crisis of Russia in 1998 and some border disputes. The new period started after the settlement of these border disputes. This third period is characterized by the joint and pragmatic thinking, the search for common economic benefits. As a result of this shift, trade relations flourished and Chinese companies have consolidated their position in the key sectors of Central Asia (Fehér-Szunomár, 2009, pp. 237-238).

Since the millennium, the China-Central Asia relations are developing more intensely: trade volume increased by more than 200 percent between 2002 and 2003 already, from one billion USD per year to more than three billion; between 2004 and 2006 trade growth was 150 percent, reaching a value of more than 10 billion USD (Peyrouse, 2007). According to Chinese statistics, Sino-Central Asian trade volume was almost 13 billion USD in 2006. Based on *Sebastien Peyrouse*'s estimates, trade volume of 2006 can be even higher, around 18 billion USD as Chinese statistics needs to be supplemented, for example with the less monitored cross-border trade (Peyrouse, 2007). According to MOFCOM data, Sino-Central Asian trade volume reached 25,9 billion USD in 2009 and almost 30 billion in 2010.

Although the trade with Central Asia is not significant in China's total trade (approximately 1 percent), China is an important partner for the region as it is responsible for 20 percent of Central Asian import, based on 2008 data. China's export to the region grows faster than import, as a result there is a significant deficit in their trade relations, which ranged around 7 billion USD over the past years. This dynamic growth has primarily occurred in the case of China's major trading partners in the region, Kazakhstan and Kyrgyzstan, but extended to other states as well after the millennium: there is a noteworthy increase in trade relations between China and Tajikistan since 2004, with Uzbekistan since 2005, and similar trends emerged in the case of Turkmenistan as well.

As regards trade structure, nearly 85 percent of Chinese exports are finished products, while Central Asia's export of raw materials, especially oil, ferrous and non-ferrous metals account for a similar proportion. In the case of Central Asia's export, the lack of diversification is obvious: one quarter of the Kazakh exports to China is oil, another quarter is non-ferrous metals, while iron, steel and other metals together also account for 25 percent of export; in the case of Kyrgyzstan, the export of metal accounts for one third of the exports. By contrast, China's export to Central Asia is more diversified: among others, it includes consumer goods, machinery, electronics as well as processed food, textiles, footwear, pharmaceuticals and auto parts (Völgyi, 2011, p. 103 and Fehér-Szunomár, 2009, p. 238).

Cross-border trade is still an important part of Sino-Central Asian trade, however it is often difficult to measure statistically. Barter trade is also common, mainly in the case of leather products and food. The Xinjiang Production and Construction Corps, established by Beijing, organize almost one-third of the trade between China and Central Asia, while private companies perform the rest of it.

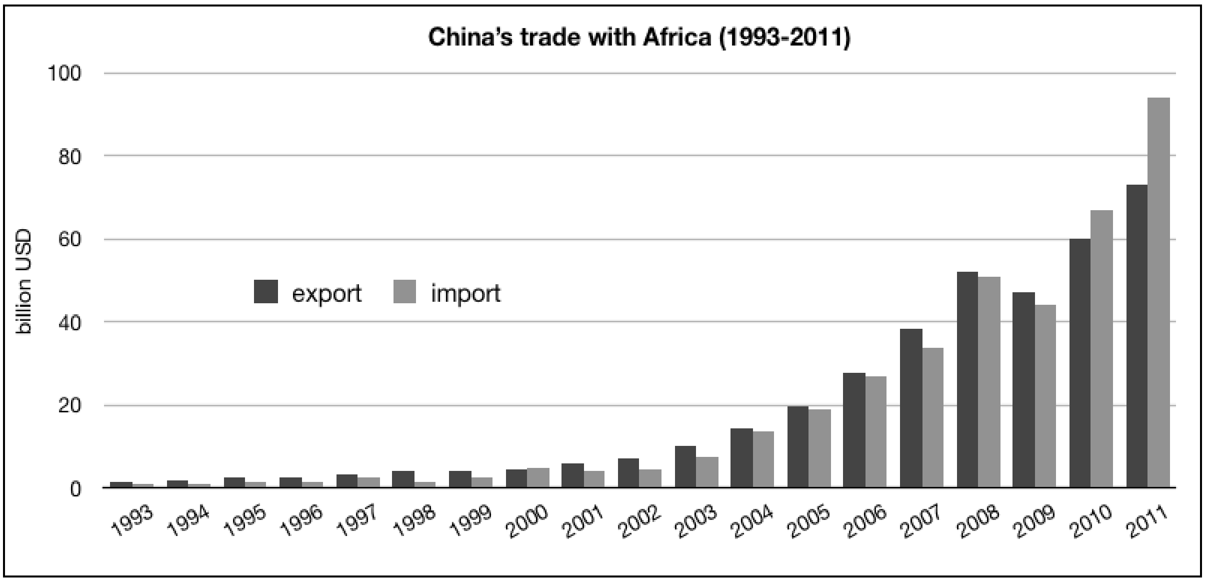
In addition to trade relations, through their investments Chinese public and private companies became responsible for the deployment of practically the whole infrastructure of Central Asian countries since these countries couldn't afford to make these investments on their own because of the lack of capital, but the old infrastructure from Soviet times has become quite obsolete today. These Chinese public and private companies have the necessary experience and work at much lower rates than other international companies, moreover, Chinese state-owned banks offer favourable financial conditions and low interest rates for the Central Asian states. In return, Beijing is getting stronger positions in areas and sectors of strategic importance such as ferrous minerals, non-ferrous metals, hydro electronics, railways, roads, and telecommunications. However, the most significant part of the Chinese FDI targets the oil and gas sector of Central Asia, as described in the following chapter.

As mentioned above, the relationship between China and India are strained, although their economic relations seems to be improving since 2003, when India formally accepted that Tibet is part of China, and China has acknowledged India's sovereignty over Sikkim. The bilateral trade volume grew from 13.6 billion USD in 2004 to 18.7 billion USD in 2005 (Deng, 2008, p. 154), and reached 73.9 billion USD in 2011, based on Chinese data. The structure of Chinese export products are similar to its other relations, while Indian export is essentially consists of primary products and raw materials, of which iron-ore is the most significant. According to Chinese statistics, India's trade deficit with China is widening from year to year, it is over 28 billion USD recently. To overcome this deficit, India is trying to strengthen its IT and pharmaceutical exports towards China. In parallel with the development of trade relations, Chinese investments also appeared in the country, mainly in the field of infrastructure and mining but in the IT-sector as well, through Huawei's investment. Indian capital is also present in China, for example, Tata Consultancy Services, one of the largest software and IT services provider in the Asia-Pacific region, has tripled its Chinese investments during 2011.

The Chinese-African economic relations have also evolved considerably in recent years. The rapid increase is a result of common efforts, where both China and the African countries can benefit from the cooperation. In the fifties, only three countries - Egypt, Morocco and Tunisia - have signed an intergovernmental trade agreement with China, this number rose to 13 in the sixties, it was 46 in 1987 an 50 in 1999. In 2006, when all of the 53 African countries attended the third China-Africa Economic Cooperation Forum, China has become Africa's second largest trading partner after the United States, ahead of France.

In the 50s, economic relations were defined mostly by bilateral trade and Chinese aid to the countries of the region but over time, the scope of cooperation is widened and their content is deepened as well. According to MOFCOM data, the trade volume of 12,14 million USD in 1950 increased to 166,45 million by 1990 and has risen at a higher rate thereafter, reaching 6,48 billion USD, which is 533-times bigger than it was fifty years earlier. As shown in *Figure 2.*, this increase is even more significant after the turn of the millennium: from 10,6 billion USD in 2000, Chinese-African trade volume reached 126,91 billion in 2010, which is a 28 percent average annual growth rate for the first ten years. In 2011, their trade volume was above 167 billion USD (MOFCOM, 2011).

**Figure 2.**




Source: China Statistical Database and MOFCOM

The establishment of the Forum on China-Africa Cooperation (FOCAC) in 2000 significantly contributed to achieve these results. After this year, economic and trade cooperation has gained a momentum, while in addition to trade relations also investment, infrastructure financial cooperation and tourism have started to develop.

In parallel with the expansion of the trade, the product structure has also changed and optimized. Regarding the structure of Chinese export to Africa, it is quite similar to the structure of export to other regions or countries (mainly inter-industry trade), except for East Asia, where the share of intra-industry trade is growing. In the 80s and 90s, Chinese export basically consisted of light industry products, food and chemical products. Since the turn of the millennium, the export of good quality and technologically advanced products such as equipment, machinery products, cars and electronics products also increased significantly. Currently these products account for more than half of China's exports to Africa (MOFCOM, 2011).

Initially, Africa’s export to China was dominated by primarily products such as cotton and phosphate but the structure of export changed significantly in recent times. Not surprisingly, energy and raw materials are dominant: fossil fuel, lubricating oil and related raw materials account for more than sixty percent of African exports to China, while a significant percentage of the remaining part consist of various raw materials, non-edible materials and finished products (MOFCOM, 2011), which is similar to the export structure of African countries in case of other destinations too. In this regard, *Liang* points out that while many people blame China for the exploitation of African resources, the African industrial system should be blamed instead because it operates unilaterally and inefficiently as its comparative advantage is based overly on energy, raw materials and other natural resources. He notes that based on its share or the absolute amount, China still imports less of those products from Africa than the United States or the developed countries of Europe (Liang, 2011).

Chinese import from Africa are no longer limited to the above mentioned energy sources and raw materials since steel, copper, fertilizers and electronics produced in Africa have also appeared in China recently, while the export of African agricultural products began to grow as well: local specialties such as Egyptian oranges, wine from South Africa, Ghana's cocoa beans, Ugandan coffee, olive oil from Tunisia and Ethiopian sesame are already known and popular among Chinese consumers.

China's most important trading partners in Africa are South Africa, Angola, Sudan, Nigeria, Egypt, Algeria, the Republic of Congo, Liberia, the Democratic Republic of Congo and Morocco. These ten countries together account for 70-80 percent of both total exports and imports. Most of them – especially the oil producer countries[9] –have significant trade surplus with China, but some of them[10] struggles with a significant deficit.

Regarding Chinese investments in Africa, it started to be significant in the 80s and most of it were government-funded projects supporting mainly the expansion of Chinese presence in local markets. The already mentioned assistance projects took the form of joint ventures, cooperative joint venture or lease but in parallel with that it was also typical that those companies, which had long-term trade relationship with Africa established factories. However, due to the limited financial opportunities of Chinese companies these investments were mainly smaller projects: China invested 51,19 million USD, in 102 projects in Africa between 1979 and 1990, which is approximately half a million dollars per project (FOCAC, 2010).

After the 90s not only the African economy was on the rise but due to the change in Chinese government strategy, Chinese companies became stronger and braver as well, which boosted their investments in Africa significantly. By the last decade of the 20th century both the targets of investment and the range of investors have diversified. Chinese capital appeared in the African textile industry, in agro processing, in the field of production of mechanical equipment as well as in mining, manufacturing and service sector. Among investors there are both state-owned enterprises and private companies, regarding the form of investment, wholly-owned companies and joint ventures forms can be find too.

After the establishment of FOCAC, the amount of Chinese investment increased further, the China-Africa Development Fund and several commercial and economic cooperation zones were established. By the end of 2009, the Development Fund has allocated 700 million USD in over 30 projects in areas such as mining, agriculture, construction material production, and industrial parks. The cooperation zones in Zambia, Mauritius, Nigeria, Egypt and Ethiopia perform well with a number of infrastructural projects carried out here: the investments of Chinese companies operating in these areas was close to 950 million USD by the end of 2009 (FOCAC, 2010).

More than eight hundred Chinese state-owned enterprises operate in Africa, but there are several small and medium-sized private companies as well. However, the so-called 'China shops' – selling bargains everything from shoes and clothes to plastic toys – have much larger

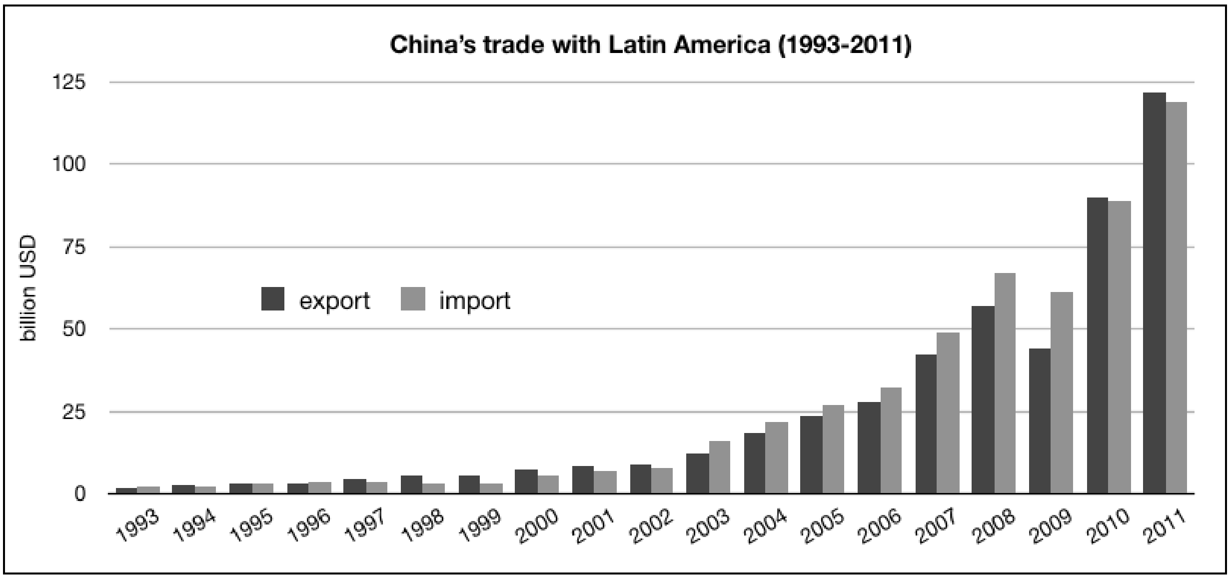
[9] Angola, Sudan, Congo and the Republic of South Africa can be mentioned here, but Libya and Zambia are also one of the major surplus countries.

[10] Nigeria, Egypt and Algeria have the most significant trade deficit towards China, but Liberia, Morocco, Benin, Ghana, Togo and Ethiopia have large deficits as well.

impact on the life of African people. These shops are quite popular and expanding at a rapid pace in the region. The increasing number of Chinese immigrants can be linked to this process, since the appearance of a Chinese company – whether large or small – in this area is often accompanied by the explosive growth of immigration (Alden, 2010, pp. 62-63). Among these Chinese settlers there are both skilled and manual workers, settling down both in the countryside and in the cities.

In the case of Latin America and the Caribbean, bilateral trade with China was not significant between 1949 and 1990, although showed an increasing trend from year to year. In 1980, for example, bilateral trade volume was only 1.33 billion USD (Lehoczki, 2008, p. 181). Trade growth started in the 90s: between 1990 and 2003 Latin American exports to China grew by more than 21 percent, while imports from China grew by an average of 30 percent annually during the same period. Just like the case of Africa, the really significant growth began after the turn of the millennium: between 2000 and 2010, China's trade with Latin America and the Caribbean grew faster than its trade with any other region, between 2005 and 2010, the growth of China's exports and imports to this region was twice as big as its trade with the rest of the world.

**Figure 3.**




Source: China Statistical Database and MOFCOM

In real terms, this means that from 6,11 billion USD in 1995 bilateral trade volume increased to almost 50 billion by 2005 (Lehoczki, 2008, p. 181), but three years later, in 2008, it was 120 billion USD already (Sutter, 2010, p. 328), and in 2011 rose to 241.5 billion, according to the data of Chinese Statistical Office (see Figure 3.). Some countries in the region have already signed a free trade agreement with China: firstly, Chile in 2006, then Peru in 2010 and Costa Rica in 2011[11].

According to the statistics of Economic Commission for Latin America and the Caribbean (ECLAC), the region's share of China's total export and import is 6 percent, which is still relatively small, but the region’s importance is growing. At the same time, the United States and the European Union is gradually losing their shares: according to ECLAC estimates, within a few years China may change places with the European Union and occupies the second position among the region's main trading partners.

China's main trading partners in the region are Brazil, Argentina, Chile and Uruguay, these countries accounted for nearly 55 percent of trade between China and the region. China has become a major partner for most of the countries in the region within a relatively short period of time: in the case of export, China is among the five main destinations for Argentina, Venezuela, Brazil, Chile, Costa Rica, Peru and Uruguay, while as a source of import China is in the top five in all of the 17 countries – with the exception of Honduras – analysed by ECLAC (ECLAC, 2010).

As in most cases, there is a deficit in their trade relations too, although its direction is changing from time to time: initially China had surplus, then the Latin American exports increased to a greater extent from the mid-2000s but in the last two years, the Chinese export gained the upper hand – although slightly – again. Spatial distribution of the current deficit is not balanced, a large part of it arise in the trade between China and Central America or Mexico, while trade between China and South American States has been typically in balance over the past decade, based on ECLAC data. This deficit could be eliminated by the transformation of Central American and Mexican trade strategies, although as the European and U.S. experiences indicate, this is not necessarily a guarantee for success.

The range of products exported by China to the countries of the region is less diversified compared to other commercial relations of Latin America. Nearly 60 percent of its exports to China are raw materials, followed by natural resource-based processed products, processed mineral products and agricultural products. The structure of Chinese export is quite similar to its other relations: they typically export manufactured products and finished products to Latin America.

[11] A year after the free trade agreement with Chile entry into force, bilateral trade volume showed a 100 percent increase, which has led to the extension of the agreement, the other two countries benefited substantially from the agreement as well.

After the crisis of 2008, fearing of their own industries, many Latin American countries have initiated anti-dumping procedures against China, where the main items were iron and steel products, textiles, footwear, household appliances and tires. Most of these procedures were initiated by Argentina and Brazil, even though these countries were among the first who granted market economy status to China. Finally, the number of cases began to decline significantly in 2010.

From the 90s, in parallel with the growth of trade relations, Chinese investment to Latin America started to increase as well. Based on ECLAC estimates, by the end of 2009, 17 percent of China's non-financial FDI arrived to Latin American and the Caribbean region, however, a considerable part of these investments arrived to the region’s two major financial centres, the Cayman Islands and the British Virgin Islands. In 2010, Chinese multinational companies invested more than 15 billion USD in the region, making China the third largest foreign investor of Latin American and the Caribbean after the United States and the Netherlands. In 2011, the amount of Chinese investment was over 20 billion USD, which – according to Chinese statistics[12] – made this region the second best destination for Chinese FDI.

If the Cayman Islands and the British Virgin Islands are omitted from the calculation because of their obvious redistributive role, the increase of Chinese FDI is still significant: the volume of Chinese FDI to this region grew by 1500 percent between 2003 and 2009, from less than 22 million USD in 2003 to nearly 350 million in 2009.

In addition to the Cayman Islands and the British Virgin Islands, main destinations of Chinese investment are Brazil, Argentina, Venezuela and Peru, but smaller economies such as Ecuador or Guyana also receive significant amounts of Chinese FDI. In Central America and Mexico the role of the Chinese capital is negligible.

### *3.2. China’s hunger for energy*

In addition to China’s growing demand for raw materials, its hunger for energy resources is another key aspects of China’s relation to the developing countries, therefore this aspect significantly determines China’s trade and investment relations to these regions. Since China needs these resources for its further development, complex strategies have been developed to ensure that the necessary resources will be available continuously. An important security aspect of these strategies is that diversification plays an important role in ensuring

[12] The statistics also quoted by China Daily at http://www.chinadaily.com.cn/cndy/2012-06/30/content_15538393.htm

energy resources, both in the case of imports and investments. China cannot afford to depend on just one or two markets, it must obtain these resources through more channels.

Regarding China’s demand for energy and its energy sector, both have changed a lot over the past decades due to the strong economic growth. Although coal is still considered one of the most important energy sources of China, which accounts for two-thirds of the country's total energy consumption, the role of oil continues to increase and the Chinese government devote a growing importance to natural gas as well as renewables. Role and share of oil, gas, water and nuclear energy will definitely rise in the coming period, however, coal will certainly remain China's main energy source for a long time.

In terms of crude oil, which is its second main source of energy, China used to be self-sufficient till 1993, and even exported it in the 80s. As a result of the economic growth and comprehensive developments, China needed so much oil that it started to import it to such an extent that it became the world's second largest energy consumer after the United States. Today, China imports 40 percent of its energy needs and this figure is estimated to increase by up to 85 percent by 2030 (Peyrouse, 2007). According to U.S. government estimates, China's oil demand will double by 2020, reaching 11 million barrels per day, while natural gas demand will grow three-fold over the same period and reach nearly 3.6 billion cubic meters a year (Shuja, 2006).

From 1997, to meet its growing energy needs, Beijing has used an offensive strategy, whose main area was the acquisition of foreign oil fields with various additional investments. Main state actors in this area are the China National Petroleum Corporation (CNPC) and its subsidiaries: the China National Offshore Oil Corporation (CNOOC), the National Oil and Gas Exploration and Development Corporation and the China National Petrochemical Corporation (Sinopec), which invests in refineries.

This strategy was confirmed later by the war in Iraq, as Beijing evaluated it as a new threat to its energy security. The main elements of the strategy are the followings:

1. China continues to develop domestic oil and gas production. The country currently has oil reserves mainly in the northern and western parts of the country (far from the eastern and southern venues of utilization), however, these resources are about to run out, or their operations require unreasonable costs, therefore China is developing new oil fields, especially in Tibet and Xinjiang, while also experimenting with drilling at the South China Sea.
2. In addition to the diversification of import, the acquisition of foreign oil fields is the most appropriate way to ensure permanent availability of energy resources.

Already between 1997 and 1998, right after the announcement of this strategy, China spent nearly 8 billion USD to purchase oil fields in Africa, Latin America and Central Asia (mainly in Sudan, Venezuela and Kazakhstan) (Kielmas, 2005), with the primary goal to decrease dependency on the Middle East (Saudi Arabia, Iran, Iraq, Kuwait, Oman, Yemen) import.

3. Transport by oil tankers can be dangerous too, depending on the current geopolitical situation. China is right to be afraid of a possible U.S. energy blockade, since the Malacca Strait, which is the main connecting channel between the Indian and Pacific Ocean is controlled by the United States. 60 percent of China's energy imports passes through here (Ziegler, 2006). The Chinese strategy is therefore to replace tankers for continental oil and natural gas pipelines[13].

In case of China's energy relations with the developing world, the role of the Asia-Pacific region is the less significant. Although the ASEAN countries have oil and gas resources, various minerals as well as hydroelectric resources, so this aspect is also present in the relations between these countries and China. As mentioned earlier, mineral fuels and oil products are among the export products of ASEAN countries to China, but in fact the South East Asian and especially the East Asian countries are net oil and natural gas importers, so their resources are often not even cover their own needs.

The disputed islands in South China Sea are close to major petroleum deposits, however their exploitation is not yet possible with the existing expertise and technology, moreover, some countries of the region also laid claims to these territories, most of them are also energy importers. However, China is looking straight ahead and still considers it possible to access these resources later. Besides the historical factors that are often expressed in connection with the South China Sea disputes, this is one of the main reasons why China will not give up these areas, even if it heightens tension with its important partners.

Compared to the Asia-Pacific, in the case of Central Asia there are more opportunities and less tension. China's energy hunger was undoubtedly the most important reason for strengthening relations with Central Asia in recent decades. The countries of this region are typically looking for new export opportunities for their hydrocarbon resources, as they want to reduce their dependence on Russia. Although the production costs are currently higher compared to the Middle East, but for two reasons it is more preferable for the Chinese: for

[13] For example, to this end, China signed several deals with Russian energy companies on production and pipeline projects in 2013 that will direct exports away from Europe to Asia.

them, this relationship is based on political alliance and solid consensus and they considers it as a more reliable long-term investment.

The construction of oil and gas pipelines connecting Central Asia to China is a complex issue both financially and technically: the geographical distance is huge (between 3000 and 10000 km), the costs of construction amount to billions of dollars, and China arrived several years after the big international companies, by when they have booked the most promising areas[14]. Despite this late arrival, China may still be a major player in the region's oil and gas extraction, to achieve this it acquires all promising second-class (older or hard-to-get) fields, and it also appears in countries, such as Uzbekistan, considered risky by international companies (Fehér-Szunomár, 2009 pp. 248-249).

The relation with the Middle East is still important for China in terms of its energy needs. Before 1994, less than 40 percent of China's oil imports came from this area, but this share has exceeded 50 per cent from 1996. While in the case of small oil-producing countries Chinese oil import increased or declined occasionally in recent years, in the case of the large producers such as Iran or Saudi Arabia, it has increased exponentially. For example, Iran accounted for only 1 percent of China's imports in 1994, which increased to 15 percent by 2002 (Jin, 2005, p. 3), and reached 22 percent in 2011 (Baru, 2012). In recent years, China has built intensive business and strategic ties with the Gulf area, it become the major Asian partner of this region, and also the largest oil importer of Cooperation Council for the Arab States of the Gulf (GCC)[15] ahead of the United States (Baru, 2012).

*Baru* quotes a Chinese source of high standing, who said that despite China has been consistently investing in Central Asian and Russian pipelines or buy African oil stocks, the primary option for China is still the Gulf because of the abundance of resources, the geographical position and good transport connections[16]. Although China's strategy in recent times aims the diversification of sources, it is a fact that while the United States and Europe are trying to reduce their dependence to this region, China, or even India remains substantially dependent on the Gulf countries in terms of energy (Baru, 2012). However, the region's share declined slightly lately as China opened to other areas, such as Africa.

Due to the strengthening African relations from the early nineties, China diversified its oil import and was also able to reduce its dependence from Indonesia, Yemen and Oman. The

[14] Such as the Kashagan and Tengiz oil fileds.
[15] GCC members are Kuwait, Bahrain, Qatar, the United Arab Emirates, Oman and Saudi Arabia.
[16] Another proof of China' future plans about the Middle East oil is that it is the largest investor in Pakistan's deep-water port at Gwadar, which could reduce the distance of ship travelling from 16000 kilometres to 2,500 kilometres in the future.

African countries are attractive to Chinese oil companies for many reasons: Angola, Algeria, Libya, Nigeria and Sudan are the most significant oil and gas producers in the region, all of them have several significant and unexplored reserves, in addition, they offer an alternative to the Gulf countries, for example, because they are much more interested in Chinese financial and technical cooperation in the field of exploration and extraction. If Western companies just turn their backs on those countries for political reasons, China is right there to offer a helping hand. The above-mentioned Chinese oil companies are providing low-interest loans for extraction, which is often related to the involvement of Chinese goods and services (Asche-Schüller, 2008, p. 23).

In 1992, China imported oil from different parts of the world for a total of 1.72 billion USD, Africa's share in it was only 77 million. In 2007, the total value of China’s oil imports was nearly 80 billion USD, Africa's share has already reached 25.85 billion in it by then. Although the amount has increased further since then, Africa’s share in China’s oil import typically ranges between 30-32 percent, making Africa the most important players in China's oil import. At the same time, China’s share in the African crude oil export was not significant in the early 2000s compared to the United States or the European Union, in fact, it was barely exceeded 10 percent in 2009, which is approximately the same as the share of France, Canada or Brazil (Liang, 2011). However, China’s share continues to grow and Africa’s role is of prime importance in terms of China's oil security.

Finally, the energy relation between China and Latin America is also necessary to mention, as the main destination of Chinese FDI in this region is natural resources, including energy resources. Currently, Latin America has 13.5 percent of the world's oil reserves, while only 6 percent of the total extraction (Lehoczki, 2008, p. 187). One of the main problems of the region’s energy sector is the lack of capital (required for exploration and extraction), in which, however, China abounds. Therefore, both sides can benefit from the cooperation, while Chinese presence could also have a positive impact on the Latin American energy sector, making it more competitive in negotiations with foreign energy companies. Based on ECLAC data, 90 percent of Chinese investment in Latin America’s natural resources flows especially to oil and gas sector, and (to a lesser extent) mining. In 2010, for example, China spent 13.3 billion USD in oil and gas transactions in Ecuador, Venezuela and Argentina. Sinopec, CNOOC and Sinochem also made some important acquisitions in Brazil and Argentina (ECLAC, 2011).

Although Latin America has a very small share of China's oil imports currently (in 2003, it accounted for only one percent of China's total oil imports, which increased to 3 by

2005), but this share is also increasing, while the role of the region is also important in terms of the Chinese energy security (Lehoczki, 2008, p. 187).

## 4. Conclusion

The concept of 'harmonious world' is in fact China's first official idea of the international order, and vision about what the world – and China within that – should be like. The Chinese have recognized that their stability, growth and development can have a positive impact on the world and vice versa, as the cooperation with other regions and countries is essential for the development of China, while Chinese growth is also indispensable for global prosperity. Just as President Hu Jintao stated at the 17th National Congress of the Chinese Communist Party: "China cannot develop in isolation from the rest of the world, nor can the world enjoy stability and prosperity without China"[17].

The multipolar worldview is sympathetic to China because it can seek after a leading position without taking the tasks and responsibilities of a unipolar or a bipolar power. China builds its own sphere of influence, where it could decide – based on its own economic and political interests – where and to what extent it should cooperate with other regions and countries. In a multipolar world, the United States and the European Union can be poles, just like the BRIC countries. Next to these main poles of power, the countries of the developing world also represent an increasingly important role in Chinese foreign policy. Beijing has been building its bilateral relations in this field for decades, although the period of the last ten to fifteen years is more decisive. China builds its own sphere of influence in the developing world, but it constantly pays attention to make this cooperation mutually beneficial for all of the parties involved in it, however, mutually does not always mean equally…

According to the main findings of this study, instead of being a new colonialist, China is becoming the mouthpiece, opinion leader, an increasingly important investor and trade partner of the developing world. China offers a friendly partnership and win-win cooperation to the developing countries and often stresses that it wants to treat them as equal partners. Although this is not always the reality, China tries to ensure the benefits for both sides and create lasting values indeed. The 'Chinese package' contains the variety of concession contracts, the development of local infrastructure as well as preferential loans, agreements on

[17] Quote from President Hu Jintao's speech at the 17th Party Congress, 2007. Source: China Daily, 25 October, http://www.chinadaily.com.cn/china/2007-10/25/content_6204667.htm (accessed 7 June 2012)

debt remission, aids and preferential conditions to improve the developing country's export potential:

- Regarding the East and Southeast Asian relations, the strategic importance of the region for China is undisputable and in some cases, it is also easier for China to cooperate, thanks to their common – historical and/or geographical – roots. The development of a close relationship with these countries was important from the early stages of the Chinese foreign policy, even in the isolationist era.
- For a long time Central Asia seemed to be a place for US-Russian competition, but today it is much more likely that the Chinese influence will be strengthened in this region while pushing the other two powers into the background. This process also raises some geopolitical questions, since today the states of Central Asia can have a major key role in deciding issues such as energy policy.
- On the one hand, for the other developing countries, especially for African and Latin American states, China offers a great opportunity to break out from poverty and isolation and to reduce their foreign political and economical dependence on Europe and North America. On the other hand, these countries might prefer to listen to a power, which is successfully developing for decades with a development path different from that in the West, it is still a developing country just like them, and has no political requirements.

It is true that more and more – especially developing – countries expect China to represent heir interests, while other – mostly the developed – countries expect China to use its increased influence and power to stabilize the current world order, but as a matter of fact, this new kind of responsibility is also in China's own interest: as the Chinese economy is growing and expanding globally, the Chinese interests are spreading all over the world as well, which means that China is becoming increasingly interested in the stability and prosperity of these regions.

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