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Special Issue – *China amidst Competing Dynamics in the Asia-Pacific:
National Identity, Economic Integration and Political Governance*

**Introduction – Political Governance and Strategic Relations: Domestic-
Foreign Policy Nexus and China’s Rise in the Global System (pp. 1-108)**

Emile Kok-Kheng YEOH
University of Malaya

Abstract

Recent years have witnessed several momentous developments in the political economy of the People’s Republic of China (PRC) both on the domestic front and in her foreign relations. Deriving correct interpretation of such fast-paced developments and changes has preoccupied much of the circles of China-watchers these days, with political scientists, economists, sociologists and international relations experts focusing their respective attentions on either the domestic transformation occurring within the PRC or on her foreign relations. While the volatile series of incidents involving a year of crackdowns on domestic civil societal movements, civil rights lawyers, labour activists and Hong Kong’s book publishers and distributors were unfolding dramatically, the year also witnessed the continued rise of China’s economic might culminating in the realisation of her initiative for the Asian Infrastructure Investment Bank (AIIB) that started operation on 25th December 2015 and the continued progress of her “One Belt, One Road” (OBOR) proposal after the creation of the State-owned Silk Road Fund on 29th December 2014. Such developments on China’s domestic and global fronts have to be properly placed in the overall context of China’s domestic-foreign policy nexus that has uniquely evolved during her recent decades of continuous, astounding economic *tour de force* amidst the stagnation of the modernisation and democratisation of her political structure and sociopolitical power configuration, and the rise of her influence in the global system.

Keywords: *China, Chinese Communist Party, State, civil society, dissent, dissidents, weiquan, rights-defence lawyers, labour activism, liberal democracy, totalitarianism, authoritarianism, “One Belt, One Road”, “Maritime Silk Road”, “soft power”*

JEL classification: *D73, D74, F52, H12*

China, Southeast Asia, and the United States (pp. 111-138)

Lowell DITTMER

University of California (Berkeley)

Abstract

Southeast Asia has historically been a meeting point between East Asia and South Asia before Western colonialism opened the region to the West and to the winds of global modernization. Since Japan's coercive decolonization during the Second World War, the dominant outside influences have come from the United States and from the People's Republic of China. The post-Cold War era began with a withdrawal of both China's and US power projection from Southeast Asia, facilitating the configuration of a triangular ménage à trios, with ASEAN expanding to include all of Southeast Asia and introducing a number of extended forums intended to socialize the rest of East Asia into the ASEAN way. The "rise of China" occurred within this friendly context, though beginning around 2010 its strategic implications began to appear more problematic with the mounting dispute over the issue of the South China Sea.

Keywords: China, ASEAN, United States, post-Cold War era, strategic triangle

JEL classification: F15, F51, F52, F55

Asia-Pacific Regional Economic Integration: *Coopetition* vs. Conflict (pp. 141-171)

YuJane CHEN

Department of International Affairs, Wenzao Ursuline University of Languages

Abstract

In the era of economic globalization, promoting regional trade agreements or regional cooperation has become a plausible strategy to attract foreign direct investment and to promote national competitiveness at a global level. Nonetheless, facing the differential national economic interests and the needs of protection of domestic industries, as well as the diverse levels of economic liberalization domestically, the involvement of FTA negotiation in every country is universally in the situation of struggling between securing economic sovereignty and national economic development. Countries in the Asia-Pacific region are in the same situation. This article analyzes how countries balance between securing economic sovereignty and promoting national economic development when they are involved in TPP and RCEP negotiations. By confirming the appropriate linkage between each participating countries' decision for balancing between domestic economic

sovereignty and further integrating into regional economic cooperation institutions the validity of the proposition for this research project can be verified.

Keywords: *regional economic integration, TPP, RCEP, Asia-Pacific region, FTA*

JEL classification: *F13, F15, F52, O24*

Economic Integration and National Identity in Northeast Asia: A European Perspective (pp. 173-207)

Wolfgang PAPE

Centre for European Policy Studies (CEPS), Bruxelles

Abstract

The “Asian Paradox” in the Northeast of the continent appears to be particularly evident if seen through European eyes. While one of the tightest networks of intra-regional trade binds the economies of China, Taiwan, Korea and Japan, their political leaders hardly ever connect with each other in substantive exchanges. Cold images of frozen faces and of an “icy lady” seem to contrast with the warm embraces that businesspeople enjoy after successful deals over borders. However, is this the view only in the eyes of the European beholder, who is used to the myriad of regular institutionalised meetings at all political and bureaucratic levels of the EU? Northeast Asia comprises two of the three biggest national economies in the world and on the basis of its interdependence flourishes economically – with the exception of Japan – with GDP growth-rates above OECD average. At the same time, in view of unresolved historical legacies their leading politicians still feel forced to keep frozen faces because of voters’ gazes of self-instilled nationalisms back home. Homogeneous cultures of Confucianism and shame rather than guilt, notably on the islands and the peninsula, maintain a very high level of national identity, in spite of a growing awareness of economic interdependence and globalisation that even conservative schoolbooks and dominant mainstream media cannot refute anymore. Nevertheless, fledgeling attempts to facilitate the flow of goods and services across national borders through bilateral and plurilateral free trade agreements seem to advance, albeit only slowly. China, Japan and South Korea have managed to institutionalise at the level of rotating ambassadors at the tri-lateral secretariat in Seoul some forms of cooperation. “Hot-lines” of emergency communications have been installed at the highest level to fend off sudden misunderstandings related to still looming territorial disputes. This paper will explore the above issues with concrete evidence and examples, notwithstanding the author’s perspective as an observer from Europe.

Keywords: *integration in Europe and East Asia, past without “nation”, stakeholders in global governance, national limitations, identity levels, omnilateral cooperation*

JEL classification: *F15, F51, F52, H56*

Integration and Disintegration: European Theories and Experiences in the Light of China-Taiwan Relations (pp. 209-237)

István Csaba MOLDICZ

Budapest Business School, University of Applied Sciences

Abstract

This paper attempts to look at the connection between political and economic integration in the cross-Strait relations, while also referring in many cases to the European experience and theories of the European integration. One of the main conclusions of the paper is that economic globalisation does not lead to political integration of the two polities. Modern theories of labour division and their conclusions on the distribution of economic gains underline that a peaceful free trade environment without major political conflicts endorses the formation of smaller political entities and this environment basically contributes to healthy competition among these countries and to diversity of political and economic regimes.

Keywords: *political economy, economic integration, political integration, Taiwan, China, international relations*

JEL classification: *F15, F52, H41, H56*

Crimean Crisis and Military Balance in Asia (pp. 239-271)

Yongshu LI

Meiji University

Abstract

As the Crimean Crisis goes on, many analysis have been focusing on the dynamics among parties of Ukraine, the EU, the US and Russia. Very few noticed another important strategic impact the Crisis may cause: the Chinese military rebalancing in East Asia. China has been increasingly confident in assuming both political and military power in the East Asian region. The confidence resulted in the South China Sea disputes with ASEAN countries, “Anti-Secession Law” against Taiwan, and the Diaoyu/Senkaku Islands Dispute with Japan. Behind such confidence of China, the EU has consistently been exporting defence products to China since the end of the Cold War; Ukraine, although sometimes reluctantly, has also been backing China along the process of building up a stronger navy as well as other defense industry construction; Russia has traditionally been supplying China with a wide range of military hardware. It can be

noticed that the Crimean Crisis involved three out of four countries and region that have been behind China's rise. How will the Crimean Crisis influence China's rebalance in East Asia then? The answers stay opaque. This paper will attempt to answer the questions.

Keywords: *China, Japan, Ukraine, the EU, Russia, arms trade, regional rebalancing*

JEL classification: *F51, F52, F59, H56*

Nationalism, Nationalistic *Demos* and Democracy: East Asian Experiences (pp. 275-311)

Jungmin SEO

Yonsei University

Abstract

This research is an attempt to offer a new theoretical framework to understand the political dynamics of East Asian nationalism(s), a topic overlooked by both historians and political scientists. The political dynamics of nationalism shown in the two historical case studies investigated here, the bottom-up ultra-right-wing nationalism in 1930s Japan and the anti-state left-wing/anti-imperial nationalism in 1980s Korea, poses a strong anti-thesis against our commonsensical understanding of nationalism. From the Eurocentric perspectives, the nationalist projects of nation-making always create a homogeneous – either real or fictive – population that is willing to fight and die for the state. The historical case studies shown in this study, however, refute the monolithic interpretation of nationalism in the modern history. Assuming that the nation-making projects in Japan and Korea were very successful, the histories of 1930s Japan and 1980s Korea show a hidden face of nationalism – the more nationalized, the more rebellious – as the nationalized subjects claimed *ownership of the state*. The experiences of nationalistic fever in Japan and Korea provide a prism to analyze contemporary Chinese neo-nationalism, which has become one of the most important research subjects in China. The experiences of Japan and Korea suggest that the only outcome we can predict from the surge of nationalism is the vitiated and weakened state capability to control the ideological realm of the society. Therefore, we can expect that the surge of nationalistic sentiments from the bottom up in Chinese societies pose a threat to the domestic stability managed by the Chinese Communist Party.

Keywords: *Chinese nationalism, Japanese nationalism, Korean nationalism, democracy, popular nationalism*

JEL classification: *D72, D74, F52, Z18*

Identity and Integration as Conflicting Forces Stimulating the Sunflower Movement and the Kuomintang's Loss in the 2014 Elections
(pp. 313-349)

Cal CLARK and Alexander C. TAN***

** Auburn University*

*** University of Canterbury / National Sun Yat-sen University*

Abstract

Over the past twenty years, there have been two important trends in Taiwan's political economy whose contradictory implications provide an important explanation for the dramatic events of 2014. The logic of each pulls Taiwan in different directions. In this paper, we describe one of the two contending trends of integration and identity. We then discuss the institutional inheritance from the authoritarian era which we believe is a factor that makes policymaking in Taiwan quite difficult. We conclude by analysing how these phenomena interacted to produce the dramatic events of 2014.

Keywords: Taiwan politics, political economy, integration, identity, Sunflower Movement, cross-Strait relations

JEL classification: D72, D74, F51, F52

Development of Democratic Processes in the People's Republic of China: Prospects of Transformation of the Political Regime (pp. 351-391)

Alexey Alexandrovich SEMENOV

Institute of Far Eastern Studies, Russian Academy of Sciences

Abstract

Rapid economic growth of the PRC has brought new challenges and promoted social transformation in Chinese society. China suffers profound changes involving fundamental principles of public relations. The political regime in China is in a changeable condition, and continues to transform. Some decisions of the Chinese government affect not only the economy and public administration, but also in some ways human rights and political changes. Chinese political regime takes on the pending social problems and begins to gently lift old political bans. There is development of processes which at least by the formal features can be attributed to be democratic or quasi-democratic. However, despite a number of political changes and improving of human rights situation in last decades, China is still an illiberal state. Moreover, the level

of repression in China has increased in the last few years. All of these actions raise questions about the political future of China. The scale of the socio-economic changes that have occurred in the PRC is so significant, that the maintaining of the existing governance structure is not possible. Rapid economic growth reduced public discontent at the disregard to fundamental human rights. Yet the “economic miracle” is coming to an end, and the country desperately needs economic and political reforms. Lack of reforms or its incorrect implementation can put the existing system out of balance, which will lead to adverse effects not only in China but also in the world. Depending on the reforms we can assume several scenarios for further development of the PRC.

Keywords: *China, Taiwan, democratization, civil society, political regime*

JEL classification: *D72, D73, D74, F52*

Literators of the *Feng Xia* (pp. 395-452)

HARA Fujio

Nanzan University (Ret.)

Abstract

In December 1945, that is, soon after the end of the Pacific War, pro-Chinese Communist Party weekly journal, *Feng Xia*, was published mainly by Chinese literators (writers) who had come to Malaya prior to, or immediately after the War. In the following year, they published *Nan Chiau Jit Pao* as virtually an organ paper of the Malayan branch of the China Democratic League which was a pro-CCP party formed in China. Malayan-born leftist Chinese also contributed articles to *Feng Xia*. While the great majority of articles advocated to support the liberation movement in China, they appealed to fight for the liberation of Malaya as well. This article examines who were inclined to China and who were to Malaya. Why could these two sections co-exist in a journal? Did they support each other to the end? How were their activities forced to come to an end through deportation by the colonial authorities? Their later careers in China will be examined as well.

Keywords: *Chinese Communist Party, China Democratic League, Kuomintang, Malayan Communist Party, Zhi Gong Dang, home country, China-oriented, China-born, Malaya-oriented, Malaya-born, double nationality, Nan Chiau Jit Pao, Min Sheng Pao*

JEL classification: *B24, F54, H12, N45*

**Population Change during China’s “Three Years of Hardship”
(1959-1961)** (pp. 453-500)

SUN Jingxian

Shandong University / Jiangsu Normal University

Abstract

Much of the debate about population change following China’s “Great Leap Forward” has relied on the population statistics released by China’s National Bureau of Statistics in 1983. However, few have investigated the methods by which the statistics were gathered, and the extraordinary historical conditions of both population movement and its recording process in those affected decades before market reforms. This report offers such an investigation and notes dramatic discrepancies in demographic statistics between 1954 and 1982. It also examines what caused these discrepancies and argues that any research in famine deaths should not and cannot be separated from its larger context and the discussion of anomalous population change both before and after the Leap.

Keywords: Great Leap Forward, “famine deaths of 30 million”, abnormal population change, hukou system, statistic compilation and analysis

JEL classification: C81, J11, J61, N35

**The Legal Basis of the People’s Republic of China’s East China Sea
Air Defense Identification Zone** (pp. 503-542)

Ching CHANG

ROC Society for Strategic Studies

Abstract

As the People’s Republic of China defined its East China Sea Air Defense Identification Zone (ADIZ) on November 23, 2013, there were three legal decrees, the Law of the People’s Republic of China on National Defense established on March 14, 1997, the Law of the People’s Republic of China on Civil Aviation established on October 30, 1995, and the Basic Rules on Flight of the People’s Republic of China established on July 27, 2001, which have been quoted as the legal basis to define the airspace within the area enclosed by China’s outer limit of the territorial sea and another six geographical points specified by the statement as the PRC East China Sea ADIZ. Following the government statement, another announcement of the aircraft identification rules for the East China Sea Air

Defense Identification Zone of the People's Republic of China was immediately issued by the PRC Ministry of National Defense. The purpose of this paper is to explore various key legal issues to ascertain the legal basis of this East China Sea ADIZ. Besides, the paper will further compare the air defense identification zone with airspaces such as aerodrome flight airspace, airway, air route, prohibited area, restricted area and danger area as well as air corridor, fuel dumping area and temporary flight airspace defined by the previously mentioned PRC legal decrees in order to identify their differences and similarities. It may also be assessed by the factual consequences after establishing the air defense identification zone to decide whether treating the measures of defining air defense identification as the attempt of claiming sovereignty, expanding sovereign territory or sphere of influence, enlarging air defense region, increasing the coverage of air military activities or even using it to present national strength and establishing pride or to test the responses of other states around the disputed territories is eventually reasonable judgments or overstated speculations. This article will be concluded with a brief discussion on the matter of defining an air defense identification, and as with no international law to be the legal basis whether it may still need to adopt any domestic law as its legal basis.

Keywords: air defense identification zone, territorial airspace, flight information region, sovereignty claim

JEL classification: F51, F52, F59, K33

The Writing on the Wall: National and Global Implications of the Ruling Chinese Communist Party's Domestic and Foreign Policies (pp. 543-625)

Emile Kok-Kheng YEOH
University of Malaya

Abstract

The December 2015 crackdown on labour activists was the culmination of a year of the Chinese Communist Party regime's war on China's civil society kicked off with the arrests of the "Feminist Five" in March, followed by the infamous crackdown on civil rights lawyers that began on 5th July and lasted till August. At around the same time, from mid-October to end of December 2015, five owners and staff members of Hong Kong's Mighty Current publishing company and Causeway Bay bookshop which respectively publishes and sells politically dissident books banned by China disappeared under mysterious circumstances (including one while vacationing in Pattaya, Thailand, and another while inspecting warehouse in Hong Kong) and reemerged in mainland China under the custody of the Chinese authorities. While these volatile incidents were unfolding domestically, the year also witnessed the continued rise of China's economic might in the global system. With specific focus on the latest events unfolding from year

2015 to the present, this paper attempts to interpret such developments especially in terms of government policies with respect to the State's relations with the civil society since the leadership transition from Hu-Wen to Xi-Li administration, the implications of the global reach of China's economic might and soft power in this regard, as well as the current nature of the governing regime of the Chinese Communist Party.

Keywords: *China, Chinese Communist Party, State, civil society, dissent, dissidents, weiquan, rights-defence lawyers, labour activism, liberal democracy, totalitarianism, authoritarianism, Fascism*

JEL classification: *D73, D74, F52, H12*

Book Review (pp. 629-633)

Richard McGregor, *The Party: The Secret World of China's Communist Rulers*, revised edition, London: Penguin Books, 2013, 302 pp. + xxiii.

reviewed by

Si-Ning YEOH

National Centre for Social Research, London