

# China As A Global leader

C1-C2

Module 7

Here's What We  
Will Be Learning  
in this  
Presentation:



# Summary

- Introduction.
- China as a Global leader?
- Financial inclusion.
- Allies and Adversaries.
- Exercises.

# Vocabulary

**Opprobrium:** public disgrace or ill fame that follows from conduct considered grossly wrong or vicious.

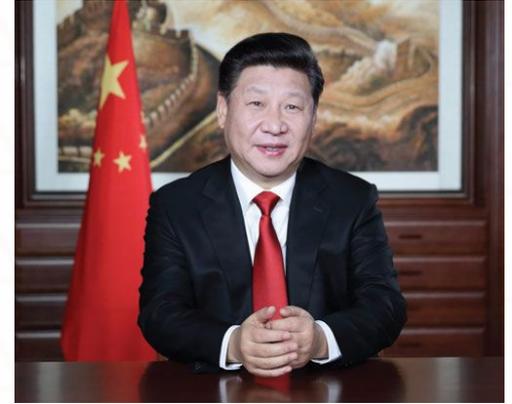
**Prepotency:** having exceptional power, authority, or influence; exceeding others in power.

**Protectionism:** the actions of a government to help its country's trade or industry by taxing goods bought from other countries.

**Carrot and Stick Approach:** a system in which you are rewarded for some actions and threatened with punishment for others.

# Introduction

Back in 1990, China's strongman Deng Xiaoping formulated a foreign policy strategy that encouraged Chinese leaders to "hide our capacities and bide our time." The country was to "keep a low profile" and never claim global leadership. This cautious approach was well in line with difficulties faced by the Chinese Communist Party (CCP) at that time; the Berlin wall had just come down and China was under fierce **opprobrium** in the wake of the Tiananmen Square massacre. However, now, since its long-term growth strategy has stopped yielding the desired results, China has started looking for new markets and new partners all over the world.



# China as a Global Leader?

As America and parts of Europe contemplate **protectionism** and globalisation and free trade come under threat, can China emerge as a leader in the new world order? Let's look at the evidence. With a population of 1.3 billion, China recently became the world's second-largest economy. It contributed 39% to world growth in 2016, according to the IMF, and its **prepotency** is growing. Alibaba Group, the Chinese e-commerce phenomenon is considered to be the world's largest retailer, surpassing WalMart last year. But it's not only China's political and economic clout that is in the ascent: its clean energy sector is growing too. China has made striking progress in green energy over the past decade, investing over \$100 billion in renewable sources, an increase from \$3 billion just over 10 years ago.

# Financial Inclusion

China is seeking inclusion of its currency not only to internationalise, but also to challenge the US dollar as world reserve currency. As if this weren't enough, China has also set up the Asian Infrastructure Investment Bank (AIIB) and was key in putting together the BRICS development bank. Taken together, these reflect the largest disruption yet to an international financial architecture and another instance of China's rising power.



# Allies and Adversaries

But to assume such a role within the international community, China needs alliances with countries which accept its political views and actions. China may have friendly relations with some Asian countries that lack a coastline; for example, Cambodia and Laos often have supported China's stance when casting votes in ASEAN. Also, some South American and African states recently switched their diplomatic allegiance from Taipei to Beijing. But this is largely a result of large Chinese "aid packages" or other kind of **carrot-and-stick** treatments. Antagonists may argue real alliances, are not commodities that can be bought or traded. They are based on shared security interests and ideological values, and even more importantly, on mutual trust and respect, where China has long strides to make.

# Exercise 1

## Answer the questions:

- 1) Explain China's earlier long-term growth strategy. Which situations made it necessary?
  - 2) What factors are indicative of China's race for global leadership?
  - 3) How does China expect to make inroads in the monetary arena for Financial supremacy?
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- 1) Explain the idiom "carrot and stick" and use it in a sentence.
  - 1) What are your views on whether China will be able to achieve global status riding only on its allies accepting its political views and actions?