



QINGGUO JIA

Professor and Dean of the School of International Studies of Peking University

Thank you, President Park. It is a great pleasure to be here and to share my views. I think a lot of things have happened in China and its relationships with the outside world during the last year. Domestically, we have seen strengthening of President Xi's leadership. We can see that in the resolution of the Sixth Plenum of the 18th Party Congress last October, which declared that Xi Jinping is the core of the leadership; some people may wonder what the difference is between the core and the Secretary General and all I can tell you is that the core represents more power and influence. He is supposed to have the final say now, rather than just one vote among standing committee members of the Chinese Communist Party Central Committee. The anti-corruption campaign has been quite effective, so much so that people need to do things by the rules. However, that also gives rise to another problem; a lot of the rules are not very good, being either too rigid, so that it is impossible if you want to do anything, or too ambiguous, so that you have to ask the concerned official to make a decision on an individual basis every time the issue comes up. That explains why things have slowed down so much in the last couple of years. As a result, the country's biggest challenge is how to sort out the rules so that people can do things legitimately and quickly. This has important ramifications for politics and the economy.

We have also seen implementation of drastic and fundamental military reforms; China wants to make its military leaner and meaner to cope with international challenges. Reform or restructure of the military is therefore deemed necessary. This is one major aspect of Chinese politics. Another aspect of domestic politics is the campaign to eliminate poverty in two years. That is a promise that President Xi has made in the international arena. Now the whole Chinese society is mobilised to address the issue. My School which is supposed to focus on teaching and research on international relations, has also been given a township to take care of so that no one is left without food, clothing and shelter. A lot of things are being done in this regard.

On the Taiwan issue, since the DPP came to power earlier this year the relationship between the two sides has been cold and slowly deteriorating. Why? Because Tsai Ing-wen, the new leader of the Taiwan authorities has refused to inherit the so-called "92 consensus", or "one China with different understandings", that her predecessor had adhered to. The Chinese Government believes that the "92 consensus" is the minimum that the Chinese government can accept for healthy development of relations between the two sides. The relationship has not fallen off a cliff, mainly because Tsai Ing-wen has been cautious not to say things that are provocative and politically unacceptable on the mainland.

On the international side, China has continued its efforts to learn to be a world leader, as its efforts at the G20 in Hangzhou have demonstrated. With the support of the Chinese government, the Hangzhou summit produced a good resolution. A lot of people looked at the resolution quite favourably, but how it will be implemented is another question. There are new developments in Chinese efforts to develop new type of great power relations with the US. On the one hand cooperation appears to have borne some fruit. For example, on climate change, the joint efforts on the part of the Chinese and US governments brought about the Paris Summit climate change agreement, which is no small issue. Progress has also been made in negotiations on a bilateral investment treaty, even though the Obama administration is approaching its end and we do not know if the Trump administration would also favour this.

On the other hand, tensions between the two countries have also risen over the South China Sea, US business sentiment on China has also deteriorated, and Americans are increasingly worried about political developments inside China, especially on human rights, the internet freedom, etc. In a word, we see both progress and challenges in



China-US relations. China-Japan relations have remained cool, though they are stable compared to previous years and may be slowly heading for improvement. China-South Korea relations experienced some serious problems over the South Korean government's decision to deploy the THAAD system, which the Chinese government argues poses a threat to China's strategic capabilities.

The Chinese government continues to push forward with the 'One Belt, One Road' initiative and has made some progress. Establishment of the AIIB is probably the most important. Despite US efforts, the Chinese government managed to get support from many countries. The bank is in place to finance infrastructure projects, which are key components of 'One Belt, One Road' initiative. Many projects are being negotiated and a lot of interest has been shown overseas. However, the tension between China and other claimants in the South China Sea has complicated efforts to push the initiative forward in that region which may have the greatest potential for the Belt and Road Initiative to work.

In a word, the record of change is mixed during the last year, both in terms of China's domestic and foreign relations. Looking to the future, Xi's leadership is firmly established. He will have the final say on most important matters in China's domestic politics, such as personnel, reforms and foreign policy. Another factor that will affect the future is the US election, which creates more uncertainties than certainties. Donald Trump's campaign rhetoric may not prove true, but it has got on the nerves of a lot of people. The South China Sea situation appears to be stabilising, especially since the President of the Philippines visit to China. China and the Philippines managed to cut a deal. The Malaysian Prime Minister visited China and the two sides reached an understanding on proper ways to manage their relations. China and Vietnam are negotiating on how to deal with their disputes in the South China Sea. With the information we have it appears that the South China Sea situation is moving towards stability. However, recent news is worrisome, with Vietnamese efforts to renew construction on their airstrip on one of the artificial island in the SCS. That may cause some negative interactions on that issue.

In-kook PARK

On South China Sea issues, it is up to China to negate any verdict of the Permanent Court. But one remaining thing is that maybe the international community wants China to specify the exact location of the 'Nine-Dash line'. I do not know if China has any plans to define the 'Nine-Dash Line,' but in regards to the ownership issue of maritime disputes, Deng Xiaoping once said, "Let's set aside territorial jurisdictional issues and focus on common development." I wonder if Deng Xiaoping's guideline is still valid or whether the Chinese government has virtually changed its position.

You mentioned the China-South Korea relationship. I wonder what kind of response China has made to President Park's statement that if the North Korean nuclear issue is resolved we will no longer need the THAAD system in the Korean Peninsula. You can reply later.