

Bridge Between Developed, Developing Worlds. China's Status in the Global Economy

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Since reform and opening-up policy was launched 40 years ago, China has recorded average annual growth rate of 9.5 percent and created an unprecedented economic miracle in human history. In 2010, with a \$6.07 trillion economy (at market exchange rate), China surpassed Japan as the world's second-largest economy in 2010. And in 2017, China's economy was about 60 percent that of the US. Although it has slowed in recent years, China still maintains a medium-high growth rate which is higher than the global average.

Considering these phenomenal achievements, some countries have started questioning China's status as a developing country.

However, from the perspective of global economic governance, China is still at a disadvantaged position. The existing global economic governance institutions and rules were established by developed countries which are playing dominating roles, so the rule-making process takes into full consideration the development stages of these countries. In many cases, China has no choice but accept these arrangements.

What's more, when it comes to making new rules for global economic governance, developed countries still have an upper hand. China still faces many restrictions in market access, environmental protection and intellectual property rights, which makes it impossible for China to follow the same rules and undertake the same responsibilities and obligations as developed countries.

Based on these facts, there is no fundamental change to the fact that China is still a developing country. It should integrate safeguarding its own interests with protecting the common interests of the developing world as a whole. China should also not neglect the expectations on itself from the international community, developing countries in particular.

But at the same time China is also a responsible major country with considerable weight. As the world's second-largest economy, it should gradually shoulder reasonable international responsibilities, and take a more active role in global governance.

China's unique role in the global economic governance system makes it a bridge linking the developed with the developing economies and bigger countries with smaller ones. So China's beliefs and propositions better accommodate interests and concerns of more parties and strike a balance among different types of economies to reach consensus.

However, as the bellwether of developing countries, China should vigorously promote changes in the global economic governance system to better reflect changes in the international political and economic order, enhance the representation and voices of emerging and developing countries, and protect the interests of the least developed

countries from being impaired.

In terms of development governance, China has accumulated abundant experience in the past 40 years of rapid growth. Since the international financial crisis in 2008, China has been the biggest contributor to global growth, contributing more than 30 percent, which has won high recognition from the international community. Kim Yong, then president of the World Bank, expressed at the G20 Hangzhou Summit that many countries wish to learn from China's experience and make remarkable achievements in a short time, that China's experience is being widely discussed, studied and is exerting influence on many countries' policies and reforms. The journey China has traveled shows that the right reforms generate quick results in poverty reduction, job creation and increasing income. So China's experience is greatly relevant and inspiring to developing countries.

China is now making changes to the mode of economic development, transforming the manufacturing-, exports- and investment-driven economy to one that is propelled by innovation, service industries and high-tech manufacturing. These endeavors could also provide reference to those struggling with economic upgrading and sluggish internal growth drivers. Taking development governance as the focus of increasing China's voice in international institutions can not only fully demonstrate its status as a developing country, but also show its strengths as a major developing country.

The Belt and Road Initiative (BRI) is the solution proposed by China to current challenges the world faces. The initiative aims to make economic globalization more inclusive and beneficial to all, and promote win-win cooperation and common prosperity of all participating countries. Its global appeal has made this initiative far transcend regional cooperation, and has made it an important approach to fostering new growth drivers, promoting changes in global governance and building a community with shared future for mankind.

First, the BRI boosts development and innovation in global governance philosophies. At the sixth ministerial meeting of China-Arab Cooperation Forum, President Xi Jinping put forward the Silk Road Spirit of peace, cooperation, openness, inclusiveness, mutual learning and mutual benefit and the principles of wide consultation, joint contribution and shared benefits that the BRI should uphold.

The Silk Road Spirit deals a blow to some countries' unilateralism and protectionism and sets up an example for countries to engage in global governance with a new philosophy.

Second, BRI produces new achievements in major areas of global governance. In policy coordination, countries are synergizing development strategies. By the end of 2018, China signed BRI cooperation agreements with 122 countries and 29 international organizations.

In infrastructure connectivity, many major achievements have been made covering railways, roads, ports, aviation, pipelines and information expressways.

In trade facilitation, the Initiative on Promoting Unimpeded Trade Cooperation along the Belt and Road is being executed and generating tangible results. In 2018, total volume of trade in goods between China and BRI countries reached \$1.3 trillion, up 16.3 percent year-on-year and 3.7 percentage points higher than China's foreign trade growth in the same period.

In financial sector, financial cooperation is deepened and the Asian Infrastructure

Investment Bank (AIIB) and the Silk Road Fund are playing more important roles. In the first three years of operation, AIIB granted \$7.5 billion in loans and boosted nearly \$40 billion investment in infrastructure. In the four years of the Silk Road Fund's existence, it pledged investments of \$10 billion and completed capital increase by 100 billion yuan (\$14.9 billion).

In people-to-people connectivity, fruitful cooperation is being implemented in education, culture and tourism with many specific plans in place.

Last but not least, the BRI has enhanced coordination and innovation of global governance mechanisms. The BRI has consolidated existing mechanisms by promoting dialogue and interactions at various bilateral, regional and multilateral systems. The BRI has made innovations to the system by creating new highlights, such as the Belt and Road Forum for International Cooperation, the China International Import Expo, to build more platforms for dialogue and cooperation.

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