

# 27<sup>TH</sup> ASIA-PACIFIC ROUNDTABLE

3 - 5 June 2013 • KUALA LUMPUR, MALAYSIA



PS 2

PLENARY SESSION TWO  
4 JUNE 2013

**DECIPHERING THE “CHINESE DREAMS” AND ITS IMPLICATIONS FOR ASIA**

**China and Asia**

**by**

**The Hon. Mdm. FU Ying**  
*Chairperson, Foreign Affairs Committee*  
*The National People’s Congress (NPC), China*

**SPONSORS**



## China and Asia

By Fu Ying

Chairwoman of the Foreign Affairs Committee

Of the National People's Congress of China

At the 27<sup>th</sup> Asia Pacific Roundtable

Kuala Lumpur, 4 June 2013

Ladies and Gentlemen,

It's a great pleasure to be back to KL and to join distinguished scholars and experts at the 27<sup>th</sup> Asia Pacific Roundtable.

I was kindly asked to talk about the Chinese dream and how it relates to Asia and the world.

If I was asked 20 years ago, I wouldn't see how a domestic concept of China could connect with lands beyond its border. Now in a globalized world, we are all connected. Especially since China is growing stronger

and has more extensive external contacts, there is the need for China to explain to its neighbors and to the world its policy and intentions.

Let me start by quoting Mr Xi Jinping who, after being elected President of China by the delegates of the 12<sup>th</sup> National People's Congress last March, made a speech to the Congress and further elaborated the idea of "the Chinese dream".

He said: "the Chinese dream" is as much a dream of the whole nation as a dream for every individual Chinese. People should all share in the opportunities to fulfill his or her potential, to realize the expectation and to make progress along with the progress of the nation.

So "the Chinese Dream" is for individuals to have better lives and for the country to provide conditions for achieving it and the individual efforts would add to the country's prosperity.

China is a country deeply rooted in history. "The Chinese dream" has grown out of the historical experiences, especially the memory of the past two centuries. According to scholarly analysis, China in the beginning of the 19th century accounted for over 30% of the world

economy. Quantitatively speaking, it was bigger than most powers of that time. Yet, China fell prey to them.

For about a century, tremendous efforts were made by generations of Chinese intellectuals and reformers to introduce new ideas with the hope of saving the country from misery. It was not until having the leadership of the Communist Party of China and joint efforts of the people that the county finally stood on its own feet and the People's Republic was founded in 1949.

The following decades again saw hard efforts and tortuous path, not without setbacks, before the country was on the track of reform and opening up to the outside world.

A British journalist asked me after the splendid opening ceremony of the Beijing Olympics of 2008, what I thought was the most important achievement in China. I said, having enough to eat for 1.3 billion people.

Indeed, food has long been at the centre of politics since the ancient time for this country with a big population. Dynasties rose and fell around this essential issue throughout Chinese history. Achieving sufficiency of

food in one generation's time is easier said than done. Many in my generation experienced shortage of food. But thanks to sustained economic growth, those days are gone forever. The lives of the Chinese people are completely transformed. One of the new challenges now is how to stop people from wasting food. We are even setting rules to curb it.

On Jan 1<sup>st</sup> 2006, the agricultural tax levied on farmers was abolished, ending the thousands of year history of taxing farmers in China.

Social services have been improving. Since 2007, all children can enjoy 9 year compulsory education for free. In 2010, a cooperative health scheme was extended to all rural residents. Though the benefit farmers could access is only 340 Yuan a year, about 50 US dollars, though very moderate sum, many farmers are now able to go to the hospitals after all.

If you visit the coastal or big cities in China, you may find the lifestyle matching those in the developed world. In Beijing for example, there are 5 million cars now. But when I was young, there were 6 million bicycles, not so much traffic jam.

Are people happier? Not necessarily. Take the young generation born in the 80s for example, they are the first generation of Chinese knowing no hunger, but they claim they are tired and have grown old. Because they found themselves struggling to meet life's demands from high mortgage, competition in jobs to rising cost of living.

The challenges for people today are no less daunting, though at a higher level.

Top on the news these days is about job hunting for the new graduates. This year, up to 7 million students are finishing studies from universities. Sometimes thousands of applicants are chasing a few job opportunities.

The smog that shrouded Beijing last winter drove home the message that GDP should not come with a price on the environment.

Migrant workers are not integrated into the cities where they work and therefore not able to enjoy the benefits and facilities. The second and third generation migrant workers in particular feel excluded in the cities where they were born.

The gap is widening. Even around the big cities, 300 km away from Beijing or Guangzhou, for example, you will find people living at very elementary conditions.

As China is going beyond basic needs, people are embracing new dreams. They long for more stable jobs, more reliable social security, better education, better environment, and better cultural facilities. They want better application of the rule of law, greater guarantee for their rights.

They also want to take pride in the country in the community of nations. They want to have a sense of dignity as they become global citizens and assurance that their country and people are well protected.

So, the concept of the Chinese dream came just in time. It reflects the reality in China and people's expectations and serves the need to unite the people to achieve a higher objective.

The 18<sup>th</sup> Party Congress set forth two centenary goals which will help achieve that.

The first goal is for the 100<sup>th</sup> year of the founding of the Party in 2021. China should have doubled not only its GDP, but also per capita income on the basis of 2010, achieving what Deng Xiaoping described as a Xiao Kang society, meaning a moderately prosperous society. This target is only 8 years away.

The second goal is for 2049 or the 100<sup>th</sup> year of the People's Republic, to turn the country into a strong, prosperous, democratic, culturally advanced and harmonious socialist society.

To realize the goals, the new group of Chinese leaders gave priority to sustaining economic growth. More reform measures are announced, including readjusting government functions to allow the market and society to take due responsibility. The government is expected to provide fair ground for competition.

The general direction of the country is moving towards industrialization, informatization, urbanization and agricultural modernization.

The future urbanization in China will be the largest the world has ever seen, involving 600 million farmers. The key lies in the urbanization of



people, or the integration of farmers into the cities. If promoted successfully, it would unleash great stimulus for China's industrialization, technological progress as well as expansion of consumer demands.

Environment, energy, excess capacity, the problem list is long and the way to tackle them is to shift the economic model from depending on investment and exports to being driven by technological progress and low carbon economy, and on this basis readjust the economic structure and promote growth.

The underlying condition for all these is the rule of law. The Standing Committee of the 12<sup>th</sup> National People's Congress has laid down its program to step up legislative work, making more laws mainly in the areas where people's concern is.

Now we have a total of 244 laws forming a framework of legal structure for the country. But more are needed. There is also the need to improve the quality of laws, better enforce laws and to foster a culture of law compliance to prevent the abuse of power. No one should be allowed to rise above the law.

To sum up, the Chinese dream is both about individual aspiration as well as the country's prosperity and each can't be achieved without the other.

So how does the Chinese dream relate to our neighbors and the world? I would say, the Chinese dream can't be realized without a good external environment and in return the Chinese dream will add to peace and prosperity of the region and the world.

Is our neighborhood having more troubles these days?

I would prefer to look at our neighborhood from a global and historical perspective.

Since the end of the Cold War, we have seen other parts of the world being plunged into warfare and conflicts. Some are still in trouble. Asia as a whole has been relatively peaceful and stable. That has enabled Asia to achieve faster economic progress. Peace is like the air without which we can not live, though we may not realize its existence.

China has greatly benefited from a peaceful and cooperative environment and China's regional policy of peace, domestic stability and prosperity are important contributors to the region.

We can look at a set of figures.

In 2012 China's contribution to Asia development was 58% and China's trade with the rest of Asia amounted to 1.3 trillion US dollars, overtaking the sum total of China's trade with the EU plus the United States, which was 1 trillion US dollars.

Half of China's 77 billion US dollars of overseas investment is in Asia.

China has become the largest trading partner for Malaysia, Vietnam as well as Japan and ROK. Chinese tourists made 83 million overseas travels, more than 90% to other Asian countries. Malaysia, Thailand and ROK are among their favorite destinations.

According to the 12<sup>th</sup> 5-year plan, in the coming 5 years, China will import a total of 10 trillion US dollars' worth of goods and China's

overseas investment will reach 500 billion US dollars. Overseas travel may top 400 million.

So, achieving the Chinese dream will bring more opportunities for Asia and therefore help the realization of the dreams or visions of other countries in the region.

The Chinese dream is also part of the dream of many in the developing world who now have an opportunity to grow their economy.

I recently published an article about the trend of the world, offering my humble opinion to the debate on whether the world power centre is shifting and whose hands the power is falling into. I got attracted to the debate because China' role is often mentioned.

The view I offered is that the world power is not moving from the traditional centre to newly rising power centres. Instead, it is disseminating from the centre to a wider sphere, reflecting the physical changes brought about by the new wave of industrialization which is going on in countries like China, India and many others.

All this has become possible because the globalization allowed the dissemination of technologies, market, capital as well as human resources from the traditional centre to those which have long been at the periphery. However, the centre maintains leading position, especially in hi-tech, high quality skills, and creativity etc.

China and many developing countries in Asia and other parts of the world are drawn into this process. We had similar experiences of poverty and colonization in the past and are faced with the same mission of delivering better living conditions for our people. Therefore, our dreams are shared too.

The 18<sup>th</sup> Party Congress in China called for fostering a sense of global community and accommodating the interests of others as we seek our own interests. It also said that China should bring more benefits to its neighbors as we grow further.

To follow up on that, China's emphasis for the region is, first, to further promote regional economic integration. The priorities include upgrading China ASEAN FTA and facilitating China-Japan-ROK FTA as

well as RCEP. The connectivity program has been on the table for many years and now consensus is growing about overcoming the financial and technical difficulties. It is hoped that these will foster new growth in the region.

Second, we should value and maintain the general peace in the region. China will continue to be a proponent of cooperative security, whereby countries seek to achieve security for all through building trust, promoting equality and cooperation.

Asia is one of the most open and non-exclusive regions. Many countries outside the region have had long and involvement in the region. The US, in particular, has played an important role in the region. China has on many occasions expressed welcoming attitude to a constructive role by the US in Asia. It is hoped that the coming summit between President Xi Jinping and President Obama will touch on issues concerning partnership regarding the region.

Now, about the South China Sea, I guess I could not leave this podium without saying something about this issue.

I remember when attending a regional conference and a European correspondent, looking anxious, approached me and asked what was going to happen in the South China Sea. I asked: Are you worried? He said yes. Obviously he believed there were big stories to write about. So I asked are you more worried about this than you do the European debt crisis. He laughed and said, the latter had no solution and therefore he had stopped worrying about it. I said I appreciate your confidence in us.

It has been more than a decade since the Chinese and ASEAN leaders embarked on a trust building journey. I was personally involved in the earlier discussions and remember the divisions and the difficulties. With great patience and hard efforts, they finally arrived at important consensus and designed a framework for regional dialogue and cooperation to which this meeting is also a building block.

One important product was the Declaration of Conduct on the South China Sea signed by China and ASEAN countries in 2002. The DOC has been a corner stone for maintaining tranquility in the disputed maritime areas. Last week, China and ASEAN diplomats had another working group meeting on the DOC and they also discussed a Code of Conduct on the South China Sea.

In China, we prefer that the parties to the DOC honor their commitments and that the COC be worked out on the basis of confidence in each other's behavior. China would react to steps going beyond the DOC and the purpose is still to bring the issue back to the right track.

At the same time, a program of projects is being formulated with the support by the China-ASEAN maritime cooperation fund worth 3 billion Yuan. Hopefully this will add to the positive effort towards joint development.

To conclude, I want to say that the Chinese dream is not very different from that of the countries in the region and the world over. We should all join hands to make 21 century one of peace and prosperity so that every dream can be fulfilled.

Thank you.