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## China's growth in order new in Asia from 1978 to now

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### Abstract

The rise of China in the early years of the 21st century is assessed as a prominent phenomenon, attracting the attention of countries in the region and the world. For Southeast Asia, the rise of China has been directly affecting the region in general and each country in particular, from positive effects to negative effects. Within the scope of the article, the author mainly focuses on analyzing the very basic issues surrounding the rise of China.

**Keywords:** rise of china, Asia, region

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### 1. Introduction

Since 1978, China has applied the policy of renovation and opening with strong and extensive reform programs, achieving a high growth rate for many years, increasing its economic and political potential, from that increases influence on the world. The rise of China on the one hand increases the role and influence of Asia compared to Europe and North America. On the other hand and more importantly, China's rise is also representative of the rising trend of some large developing countries, gradually changing the world economic - political order. The rise of China is of great interest to the US, Japan, EU and Russia. There have been many opinions that the rise of China will threaten the stability of the world.

### 2. Overview of China's Rise Policies

#### 2.1. Overview of the Rise

**The rise of a nation, includes the following elements**

First, that country has grown rapidly and continuously for many years, and this increases the economic and political potential of the country in question. This is an important premise for the resurgence.

Secondly, the country mentioned by its rapid growth, increasing economic and political potential has narrowed the gap with more developed countries, catching up and having superiority in some (or more) indicators, at least in one or more aspects such as economic, political, military cultural. Compared to some major countries in the region and the world. There are many different views on the criteria for a large country such as economic, political, military criteria and its influence in major international organizations such as the United Nations (UN), International Monetary Fund (IMF) Today, often wearing the word "strong" in the world is considered the "most superpower" today - that is, with a GDP of 1 trillion USD or more and an international trade value of at least 500 billion USD. If according to this criterion, in 2011 there are 13 big countries: USA, China, Japan, Germany, France, UK, Italy, Canada, Russia, India, Australia, Mexico and Korea.

Third, the remarkable increase in economic size, political influence, etc. of the mentioned country has affected (in some aspects) many other countries, creating the attention and response of many people. water on a regional and global scale.

If a country/economy has only one or two of the above three factors, it is still not considered to have emerged. That's why the rise of one or a few countries is considered an unusual phenomenon, not every decade in human history also has an economic and political rise. One or a number of small-scale economies (such as East Asian NIEs), which have grown rapidly and continuously for many years, have increased their potential many times, but have not yet caught up and surpassed them.

Superior in some (or many) indicators, at least in one or more aspects such as economic, political, military... compared to many other countries in the region. And it has not had a big impact on the global scale, forcing many countries to pay attention or to cope. Therefore, Korea, Taiwan, Thailand... in the 1980s and 1990s were only considered as "emerging economies", not as emerging.

In general, in the period from 1991 to now, especially in the first decade of the twenty-first century, China's rise has shown clearly and strongly.

## **2.2. Policy positions leading to the rise of China**

### **2.2.1. Developing market relations, building market economic institutions**

The process of developing market relations and building market economic institutions in China is shown through the time axis as follows:

- 1979-1984: policy of building a planned economy supported by market regulation.
- 1984-1987: policy to build a planned commodity economy.
- 1987-1989: policy to build an economy in which the government regulates the market and the market regulates businesses.
- 1989-1991: policy of building an economy in which there is an organic link between the planned economy and market regulation.
- 1993-present: policy of building a socialist market economy with Chinese characteristics.

The development of market relations, the building of market economic institutions has led to a number of consequences to make the economy operate better, which are: 1/ Encouraging competition, removing barriers become competitive. 2/ Forming a multi-ownership structure that is both cooperative and competitive. 3/ Social resources are mobilized and used more effectively.

Implementing the policy of developing a market economy, China has made great efforts. As of July 2004, for the first time in 50 years, China allowed individuals and companies, including foreigners, to engage in import and export activities without government permission. This move was made six months earlier than China's initial commitment schedule when joining the WTO.

### **2.2.2. Flexibility, dynamism and pragmatism in promulgating policies and guidelines**

China's flexibility and dynamism in promulgating policies on reform, opening up and economic development can be seen in many aspects. That is in choosing the location when establishing special economic zones (SEZs). The first SEZs that China decided to establish were all located in favorable locations in terms of external opening (near Hong Kong and Taiwan - performing the function of external windows), which were attractive to investment. abroad, is the homeland of many overseas Chinese. This is an important basis for China's successes in its policy on special zones as well as in attracting foreign investment in the future.

During the early development of the market economy, when there was still a fierce controversy surrounding the issue of capitalism or socialism, Chinese leader Deng Xiaoping issued the slogan: "black and white cat doesn't matter, as long as it's not important, as long as it's not important, as long as it's a black cat or a white cat, it doesn't matter. is to catch the

mouse", making experimental investigations go smoothly, reducing unnecessary controversy. When Hong Kong was about to return to the Mainland (July 1997), in order to reassure investors and avoid capital withdrawal from Hong Kong, China again launched the "one country, two systems" policy. many investors, and at the same time increasing economic cooperation between Hong Kong and neighboring regions, this is the basis for some southern Chinese localities (such as Guangdong) to develop stronger and today has become one of the most developed areas in China.

### **2.2.3. The policy handles well the relationship between industry, agriculture, services and investment for environmental protection**

As a large country, large population, moreover the majority of the population lives in rural areas, relying on agriculture, China has started changes from agriculture. That is the expansion of the policy of contracting products to households, raising the prices of agricultural products to encourage farmers to produce, increase income for farmers, develop the commodity economy, and develop the household economy. When the food problem was basically solved (since 1984), China turned to focus on reforming industry, trade, finance, and banking. The area of reform is mainly in urban areas. At this time, agriculture was able to support industry (food, labor...). Since the late 1990s and the early years of the 21st century - at the same time with the opening up and strong development of the service industry, when the industry has developed relatively stably, China has advocated using industry to support agriculture. Tam Nong), relying on industry to support agriculture, relying on urban areas to promote rural areas, from reducing agricultural taxes to completely eliminating agricultural taxes, attaching importance to rural development. This clearly shows the very reasonable industry policy of China.

In the early reform period, due to the pursuit of rapid growth, China's central and local governments almost poured all their capital and other resources into investment, production development, and increased exports. As a result, the growth target was achieved, but the environment was severely damaged and degraded. This, in the long run, limits growth. From the early 2000s until now, especially in the 12th Five-Year Plan (2011-2015), China has realized that protecting the environment is to be able to use and exploit resources better. conducted under the premise of environmental protection. With the orientation of shifting from development in breadth to development in depth, China has launched a number of environmental action programs, regularly conducts national conferences on environmental protection to promote development. sustainable development.

### **2.2.4. Balanced and harmonious development among regions and regions**

In China, in the early 80s of the twentieth century, the eastern coastal area opened rapidly to the outside, developed more, and preceded. Central and Western regions are even more backward. Since the late 1990s, in China's economic development the problem has arisen that there is a large disparity in development levels between the East and the Central and Western regions. The GDP per capita of the Western region is just over a quarter of the national average, so for many years, China has been implementing a strategy to develop the Central and Western regions, increasing investment from budget and prioritize attracting foreign

investment in these areas. In 2000, China spent 70% of investment from selling bonds, 70% of concessional loans from international monetary institutions were invested in the West. The focus of China's construction in these areas in the past few years and in the future will be irrigation, transportation, information, energy and additional construction and infrastructure upgrades in cities. town, town, prepare for international integration on a national scale. At present, China has provided a model and development focus for each region. The focus of the Eastern region is on developing industries and products with low resource consumption, high added value, high technical content, outward economic development, taking advantage of more capital and international markets. The Eastern region must take the lead in transforming the growth mode from quantity to quality. The focus of the Central and Western regions is to develop transport and information, improve infrastructure, and build advantageous industries such as agriculture, energy, and minerals, and at the same time attract capital and technology. from the East. On this basis, China forms special industrial zones such as agriculture, minerals, energy... to develop trans-provincial economic zones, including the Yangtze River Delta with Shanghai as the core; The Southeast coastal economic region takes the Zhou River Delta as the core and the Bohai economic region, taking the Liaodong peninsula, Shandong, the provinces of Beijing, Tianjin, and Hebei as the core.

### 3. Manifestations of China's Rise

#### 3.1. Rapid economic growth sets the stage for the "emergence"

Despite years of continuous high growth, China's rise has only been evident since the early 2000s. In the first 10 years of the twenty-first century, during this period, China's economy grew rapidly. record while many big countries like the US, Japan or the European Union (EU) showed signs of slowing down. These are also clear manifestations of China's rise:

“First, after the events of September 11, 2001, China was known as the world's largest FDI attraction in 2002 when FDI into this country (more than 50 billion USD) exceeded FDI into the US. For many years, China has consistently been the developing country attracting the most FDI. In 2011, China was still one of the countries attracting the most FDI with more than 116 billion USD.

Second, in terms of average growth over the entire decade, China is also ranked among the world's fastest growing countries. At the end of the decade, in 2010, while the whole world was plunged into crisis and stagnation - with many economies growing negative, China still maintained a growth rate of 9.5% - among the highest in the world. Thanks to high growth, China has set a record of chasing the previous countries, increasing the ranking according to the size of the world economy. In 2001, China's GDP was only 9th in the world (GDP reached nearly 10 trillion yuan). However, by 2005, China's total GDP had risen to the fourth in the world, after surpassing Britain and France. In 2007, China's total GDP surpassed Germany's, ranking third in the world. In 2010, China's total GDP continued to surpass that of Japan, becoming the second largest in the world. In 2011, China's GDP reached 47,156 billion yuan (equivalent to 7.48 trillion USD), 4.72 times the level of 2001. From ranking 9th in the world at the beginning of the decade, China has risen to No. 2 World. In terms of yuan, after 10 years (2001-2011),

China's total GDP increased 4.72 times, and in USD terms it increased about 6 times. China's total industrial value increased from 4,260 billion yuan in 2001 to 16,003 billion yuan in 2010. Foreign exchange reserves increased 12 times in 10 years, from \$212.2 billion in 2001 to \$2,847.3 billion at the end of 2010. This is the clearest manifestation of China's rise.

Third, China has the largest foreign currency reserve in the world with over 2,300 billion since mid-2009 and still ranks first in the world until now. Regarding trade, in 8 years, the value of import and export turnover increased from 474 billion USD (2001) to 2,561 billion USD (2008). The proportion of total import-export turnover/GDP increased from nearly 40% to 58%. Export/GDP ratio increased from 20% to 32%. In 2009, China's exports surpassed Germany's, rising to the top of the world. With large foreign currency reserves, China is also known as a major creditor of the US when buying hundreds of billions of dollars in bonds of this world's number one power.

Fourth, China set a record as a successful third country with many launches and put people into space in 2003, 2005, 2008 and June 2012 with the sending of female astronauts into space.

“The rise of China is also reflected in the fact that it is increasingly playing a larger role in world production and consumption. With 19% of the world's population, China produces about 60% of most products and about 90% of some important industrial products. In 2010, the steel output produced by China was 11 times that of the United States - the world's No. In addition, in terms of infrastructure, transportation, technology and resources, China also has a rapid development with the largest high-speed rail network in the world with trains running in the world's fastest category. world leader in wind and solar energy production, as well as controlling about 90% of the world's supply of rare earths. It can be said that the hot growth of the economy partly benefits surrounding countries when enhancing cooperation. However, the rapid growth helps China to have more resources to increase its defense budget, thereby realizing its expansionist intentions, causing concern to countries in the region and the world.

#### 3.2. China's strong military moves

With a highly developing economy, stable growth has created conditions for China to have the potential to promote military modernization and increase the procurement of defense equipment, especially from Russia. Thereby increasing military power to increase influence in the region.

“Since the 1990s, China has spent more than \$21 billion a year to become the world's largest arms buyer, surpassing India, South Korea and Greece. Between 2000 and 2009, China's defense budget grew by an average of 12% per year. In March 2011, the National People's Congress of China approved a defense budget of up to 65 billion euros, an increase of 13% compared to 2010. In March 2012, National Assembly spokesman Li Zhaoxing announced the budget. defense in 2012 increased by 11.2%, to 80.6 billion euros, or more than 105 billion dollars.

China's increasing military activities in defiance of international law in sovereignty disputes in the East Sea and the Sea of Japan have deeply concerned countries in East Asia. In recent years in the East China Sea, there have been many clashes between Chinese ships and ships of Japan, South Korea, Vietnam and the Philippines in the East Sea

related to the sovereignty of islands and archipelagoes in the East China Sea. this resource-rich sea. In particular, in 2012 China used its maritime military superiority to seize Scarborough Shoal from the Philippines, thereby changing the status quo in the dispute of interest when China had control of this shoal and surrounding waters, creating a wave of deep concern among the claimant states. In addition, China has also repeatedly blatantly detained foreign fishermen and fishing boats even when they were fishing in waters under their sovereignty, typically in the case of Vietnamese fishing boats. and Chinese authorities only release after collecting the fine. But when maritime law enforcement forces of neighboring countries (Philippines, Japan) arrest Chinese ships, they use great power behavior, sending maritime surveillance forces and navy to not arrest them or when they have arrested, they put pressure on the release of Chinese fishermen or people who violated other countries' territorial waters.

In general, based on its military superiority, China has constantly provoked, causing surrounding countries to act without restraint, creating an excuse for China to use force to protect its interests. its core interests. Losing the disputed status quo, creating a bad premise, dangerous for regional security.

#### 4. Conclusion

Through the process of strong development, China's strong rise has posed both opportunities and challenges for Asia. Opportunities and challenges are always intertwined. Among the opportunities, the one with increased trade and investment with China is more obvious. Among the challenges, the biggest challenge is security, China's strong rise, associated with the country's rapid increase in military spending as well as China's behavior in resolving disputes over the islands. islands in the sea between China and the countries of Northeast Asia and Southeast Asia. In the future, it is hoped that the Chinese government will strictly implement the word "peaceful rise" that it made when it rose, avoiding aggravating conflicts that cause insecurity in the region.

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