Six Questions on Chinese Modernization

Visions and Solutions

Chen Dongxiao
Zhang Pei
Niu Haibin
Zhao Long
Wang Yuzhu
Sun Haiyong
Zhang Jian
Yu Hongyuan

Shanghai Institutes for International Studies
Six Questions on Chinese Modernization: Visions and Solutions

Editor-in-Chief
CHEN Dongxiao

Contributing Authors
CHEN Dongxiao  ZHANG Pei  NIU Haibin  ZHAO Long
WANG Yuzhu  SUN Haiyong  ZHANG Jian  YU Hongyuan

Exec. Editors-in-Chief & Producers
ZHANG Pei  LI Xin
About the Authors

CHEN Dongxiao, senior fellow and the president of Shanghai Institutes for International Studies (SIIS). Specializing in the studies of United Nations, China’s foreign policy and China-U.S. relations, Prof. Chen has published extensively on China’s diplomacy, major power relationship, the UN reform, and global governance. As senior policy adviser, Prof. Chen has chaired numerous research projects commissioned by various departments of the Chinese government and supervised academic programs supported by the China National Foundation of Social Sciences.

Prof. Chen is the editor-in-chief of the *Global Review* and the *China Quarterly of International Strategic Studies*, both being flagship journals on China’s diplomacy hosted by the SIIS. He is also the founding chair of the *SIIS Report*, a multi-lingual think tank report series that aims to exchange ideas and present perspectives of the leading Chinese think tanks on global issues. Prof. Chen earned his Ph.D. in international relations from Fudan University.

ZHANG Pei, deputy director of Center for Marine and Polar Studies and Executive Director of Department of Research Management at Shanghai Institutes for International Studies (SIIS). He also served as deputy director of Center for Strategic Studies and Center for European Studies at SIIS. His main research interests include international system, China’s foreign policy, European integration and Arctic issues. He has published many books such as: *Asian Countries and the Arctic Future* (co-editor); *CPC and China’s Featured Diplomatic Theory and Practice* (co-author); *Grand System Toward Multi-Polar & Multi-Actor* (co-author); and *The Democratization in West Zone of Germany after World War II*. He is the peer-reviewer of the Journal of Polar Studies. He also served as Deputy Editor-in-chief of Global Review. As a visiting scholar, He has been in Center for Strategic and International Studies (CSIS) in the US in 2016, and Stiftung Wissenschaft und Politik (SWP) in Germany in 2013 for 3 months each.

NIU Haibin, senior fellow and the director of Institute for Foreign Policy Studies at SIIS. He is also vice secretary-general of the Chinese Association for Latin American Studies, reviewer of several international academic journals and frequent speaker on topics related China’s policy towards
BRICS, Latin America and development cooperation. He used to be a visiting scholar at academic institutions in Peru, Germany, Brazil, South Africa and the United States. He had some secondment work experience at the Foreign Affairs Office of the Shanghai Municipal Government and China International Import Expo Bureau.

ZHAO Long, senior fellow and the deputy director of the Institute for Global Governance Studies at Shanghai Institutes for International Studies, the Council Member of China National Association for International Studies. Prof. Zhao graduated from the law faculty at Moscow State University of Russia, receiving a BSc in jurisprudence and a MA in international law, and received his Ph.D. in law from East China Normal University. His research focuses on Global governance, Russian and Central Asian studies, and Arctic affairs, published academic articles and commentaries widely. Prof. Zhao was a visiting scholar of the Center for Strategic and International Studies (CSIS) in Washington D.C and the German Council on Foreign Relations (DGAP) in Berlin. From 2015 to 2016, Prof. Zhao was on secondment to the Department of Treaty and Law at the Ministry of Foreign Affairs of China.

WANG Yuzhu, senior fellow at the Institute for World Economy Studies. He received his Ph.D degree in economics from Shanghai Academy of Social Science. He focuses on development theory, institutional reform and the Belt&Road Initiative. His recent publications include: "Evolution Mechanism of Market Order and the Role of Government", "On Central Bank Monetary Policies from German Mark to Euro", "The New Phase of Globalization and Shanghai's New Journey of Reform".

SUN Haiyong, senior fellow of Institute for Public Policy and Innovation Studies&Center for American Studies of SIIS. Dr. Sun got his Ph.D from School of International Studies, Renmin University Of China. He specializes in the study of High-tech competition in international relations and Chinese outward investment on infrastructure.

ZHANG Jian, senior fellow, currently working at the Institute of Taiwan, Hong Kong and Macao studies of SIIS. He also is the Secretary-General of the World Parties and Politics Research Center of SIIS. His research mainly engaged in "one country, two systems", Hong Kong issues, Taiwan issues, and America's Hong Kong policy.

YU Hongyuan, professor and director of Institute for Public Policy and Innovation at the Shanghai Institutes for International Studies, the vice president of Shanghai Association of Ecological Economy. He was a visiting scholar of Center for Strategic and International Studies (CSIS) in the U.S. in 2011. His representative English monograph is Global Warming and China's Environmental Diplomacy in Nova Science Publishers (2008). He has authored numerous Chinese books, such as Strategic Resource Politics and China's Strategies published by Shanghai People's Publishing House in 2016, Environmental Change and Power Transfer: System, Game and Response published by Shanghai People's Publishing House published in 2011, and Challenges and Innovation in the Low-carbon Economy published by Northeast University of Finance and Economics Press in 2015. Until present, he has published more than 60 papers in the Chinese core journals. He also presided over the key project of the national social science fund.
Contents

Preface ................................................................................................................................. 1

Introduction ......................................................................................................................... 3

Why Chinese modernization is China’s choice to meet the challenges face humanity at a critical crossroads? ................................................................. 4

How could Chinese modernization contribute to building a new pattern of global partnerships? ................................................................................................. 7

Does Chinese modernization signal a break with globalization? ........................... 10

Does Chinese modernization mean security overrides development? ........... 16

Does Chinese modernization come at the expense of the environment? ........ 18

What is China’s vision of the international system and order in the course of achieving Chinese modernization? ............................................................. 21

Conclusion ......................................................................................................................... 23

About SIIS .......................................................................................................................... 24
Preface

The 20th National Congress of the Communist Party of China, successfully convened last year, and the National People’s Congress (NPC) and Chinese People’s Political Consultative Conference (CPPCC) are major events in the new era of China. From the 20th Party Congress to the two Sessions coming up, the important spirit of the 20th Party Congress Report and the key statements on Chinese modernization have continued to be hot and consistent. What are the important messages delivered or to be delivered by the conferences held at this critical moment when the world situation is changing rapidly and China is entering a new era of modernization? What far-reaching effects will it have? The whole world continues to watch with great interest. While the international community has a variety of interpretations of the 20th CCP National Congress, the spectrum of understandings has been mixed. Among them, there are positive and affirmative evaluations by mainstream public opinion in developing countries, as well as pragmatic and rational policy analyses by renowned transnational corporations and international consulting agencies. However, there are also negative, one-sided and even stigmatized interpretations by some Western media in the US and Europe. Therefore, Chinese think tanks and experts need to share with the international community through professional and accurate policy interpretations the core ideas, key strategies, major analyses and far-reaching implications of the 20th National Congress, and in this way, herald the convening of the NPC and CPPCC. This is the primary purpose of this report, authored by the SIIS task force. The "Chinese modernization" proposed in the 20th Party Congress Report is one of the most important concepts that the international community is interested in, and it is also the thematic focus of the SIIS task force. The Report makes it clear that building a comprehensive Chinese modernization is the main task of the Chinese government and people from now on to the medium and long term future. What kind of changes in the international situation and What new opportunities and challenges will China face in the process of promoting Chinese modernization? How to understand the interrelationship between the building of Chinese modernization and China’s efforts to develop global partnerships? How to understand China’s strategy of promoting global governance in a more just and rational direction? In the face of the current serious headwinds of economic globalization, the marked rise of protectionism, and the intensification of global challenges, what will be China’s
future strategic priorities and policy paths in the fields of economy, science and technology, regional development, and ecological environment? How to interpret the Report on the interrelationship between security and development? Does it mean that China will replace the priority of development with the priority of security? All these important questions require researchers to conduct long-term, in-depth and systematic studies as well as multidisciplinary and cross-disciplinary research in order to provide a full answer. The SIIS Report of this issue, in its relatively short time and limited length, does not attempt to give a panoramic view of this multidimensional issue involved in Chinese modernization, nor can it do so. Through the study, we hope to provide some professional policy analyses and expert perspectives, and thus contribute to a better understanding of the vision and path of Chinese modernization. If we can do so, we will be quite fulfilled.
Introduction

The 20th National Congress of the Communist Party of China is not only a major event in China's political life, but also a focus of attention of the international community. In particular, the report made by General Secretary Xi Jinping at the congress has been the most important subject of discussions. Public opinion from the outside world immediately interpreted the report in various ways, especially focusing on some new theories, concepts, and measures in the report to get a better understanding of the future direction of China's politics, economy, and diplomacy. The "Chinese modernization" mentioned in the report has elicited heated discussions around the world. Many observers believe that this is a brand-new "political term" proposed by China, and provides a window to interpret China's future development path.

The report of the 20th National Congress made a systematic and comprehensive exposition of the nature, characteristics, and development path of "Chinese modernization". There are some doubts that need to be clarified. Why is it said that "Chinese modernization" is China's choice to meet the challenges facing mankind at a crossroads? What is the relationship between building a new pattern of global partnerships and achieving Chinese modernization? Is Chinese modernization a signal of departure from globalization? Is Chinese modernization signals a new phase that focuses on security instead of development? Will Chinese modernization come at the expense of the environment? What kind of international system and order should Chinese modernization promote? The answers to these questions will help the outside world to understand "Chinese modernization" more accurately.
Why Chinese modernization is China's choice to meet the challenges face humanity at a critical crossroads?

Chinese modernization offers humanity a new choice for achieving modernization. The Communist Party of China and the Chinese people have provided humanity with more Chinese insight, better Chinese input, and greater Chinese strength to help solve its common challenges and have made new and greater contributions to the noble cause of human peace and development.

—Excerpt from the 20th Party Congress Report

Standing at the crossroads of human development, China not only emphasizes that future progress depends on the choices of the people of all countries, but also makes clear its own choice for future growth, showing that China is willing to join hands with the world to meet the common challenges of human society and promote the construction of a community with a shared future. Chinese modernization is not only a comprehensive summary of China's path, but also contains many expectations for China's relationship with the world and the vision for the development of human society. It is an important theory guiding China's diplomacy in the new era. Chinese modernization is a modernization that follows the path of peaceful development. In fact, it depends on the benign interactions and joint efforts between China and the world.

Based on the understanding of the interaction between China and the rest of the world, China has always adhered to the foreign policy of maintaining world peace and promoting common development. Seeking self-development while resolutely safeguarding world peace and development, and using self-development to better safeguard world peace and development, constitute the benign interactive relationship between China and the world that is in line with China's interests. Judging from the development history of modern China, imperial wars aimed at carving up the world brought great suffering to the Chinese nation. It was not until peace and development became the theme of the times that China was able to achieve rapid development and grow into an important force in promoting world peace and development. It can be predicted that the realization of the great rejuvenation of the Chinese nation will help promote the benign interaction between China and the world.
world at a new level, that is, China will be able to make greater contributions to the cause of peace and development of mankind.

The benign interaction between China and the world is not only reflected in closer economic cooperation that features mutual benefits and win-win results, but also in its spiritual dimension. It is an all-round exchange and interaction aimed at improving human civilization. China not only continues to adhere to the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence, which have become the basic norms of international relations, but also adheres to the correct concept of justice and interests while strengthening friendly cooperation with other countries and calling for joint efforts to promote common values of humanity, such as peace, development, fairness, justice, democracy, and freedom.

Reiterating the Five Principles of Peaceful Coexistence shows that they are not outdated, and are indispensable in addressing major international challenges of the day. They are an important intellectual basis for developing inter-state relations and promoting the building of a community with a shared future for mankind. Take major-country relations in the new era as an example. The report to the 20th National Congress emphasizes the need to adhere to the path of peaceful coexistence when promoting coordination and benign interactions among major powers, reflecting China's awareness of the complexity and interaction of major-country relations under the new situation. Promoting major power coordination and benign interaction is in line with the needs of the situation, and the quality of major power coordination determines the peaceful and stable transformation of the international order. At present, the development of human society is once again standing at a crossroads. Hegemony and bullying are deeply harmful. The new US national security strategy emphasizes the hostile and competitive side of major power relations. The conflict between Russia and Ukraine has pushed the relationship between major powers into turmoil. Time and circumstances calls for a return to the Five Principles of Peaceful Coexistence.

If the Five Principles of Peaceful Coexistence are the basic norms guiding international relations, then the new diplomatic values advocated by China, such as the correct concept of justice and interests, extensive consultation, joint contribution, shared benefits, and friendly cooperation, are more helpful for human society to actively work together to deal with common challenges. Western theories stick to their own theory of moral and value superiority, and lack an inclusive vision of a diverse world and peaceful coexistence of different civilizations. Affected by this, individual countries lack a willingness to promote equal and friendly cooperation with non-Western countries, and even seek regime change through force or color revolutions. In contrast, China believes that only when all countries pursue the common good, live in harmony, and cooperate for win-win results, can lasting prosperity and security be guaranteed.

The report of the 20th National Congress proposed "common values of humanity", indicating that Chinese modernization has both Chinese characteristics and international relevance. The world outlook and values advocated by China are an integral part of the common values of humanity. The path of Chinese modernization determines that China's diplomacy will adhere to independent, peaceful, open, green, and common development, and absorb and learn from the achievements of
other civilizations. Chinese modernization is expected to add to the variety of choices for human development and progress and create a new form of human civilization.

Moreover, Chinese modernization advocates the three dimensions of common prosperity, sound ecology, and peaceful development, which is in line with the development trend of human society and the values of our times. In addition to its own efforts, China is committed to promoting the building of a community with a shared future for mankind, promoting common values humanity, jointly responding to various global challenges, and working together to build a new open, inclusive, clean, and beautiful world of lasting peace, universal security, and common prosperity.
How could Chinese modernization contribute to building a new pattern of global partnerships?

*China adheres to the Five Principles of Peaceful Coexistence in pursuing friendship and cooperation with other countries. It is committed to promoting a new type of international relations, deepening and expanding global partnerships based on equality, openness, and cooperation, and broadening the convergence of interests with other countries.*

—Excerpt from the 20th Party Congress Report

It is generally believed that strategic competition among great powers is the defining feature of today’s world. As China moves closer to the center of the world stage and becomes a participant, builder, and leader of world peace and development, more Chinese wisdom and solutions have been recognized by the world. However, some countries, with their diehard Cold War mentality, still regard China as a “hegemonic challenger”, see “winning” China as the key to determining the future order, look to hype up the rivalry between democracy and autocracy, and assemble “like-minded coalitions” to stoke confrontation between major countries. How to move past the “might makes right”, overcome the Thucydides Trap, and achieve peaceful development through deepening global partnerships has become a key question to be answered in the cause of realizing Chinese modernization.

First, China seeks global partnerships to promote peaceful cooperation rather than containment or confrontation. From a historical perspective, the idea of peaceful development is a gene of Chinese culture, while peace, amity, and harmony are concepts pursued and inherited by the Chinese nation. Since the founding of the People’s Republic, China has never provoked wars or invaded other countries, never initiated or intervened in conflicts, but insisted on developing friendly cooperation with other countries on the basis of the Five Principles of Peaceful Coexistence. In the face of various conflicts such as the Russia-Ukraine conflict, China emphasizes that it decides positions and policies based on the merits of the matter itself, maintains the basic norms of international relations and international fairness and justice, insists on promoting peace and negotiations, and does not use partnerships to contain and weaken opponents, or seek strategic gains from it. It can be said that global partnerships are essential for China’s peaceful development, and peaceful development is one of the important features of Chinese modernization.
Second, China’s global partnership emphasizes independence and equality, rather than alliance, protectorate, or the division of power and responsibility. Under the traditional alliance political framework, the establishment of partnerships is based on common ideology and values, emphasizing the priority and exclusiveness of alliance interests, pursuing the hierarchical division of power, and the sharing mechanism of responsibilities and obligations. In contrast, China’s global partnership network has a high degree of autonomy, flexibility, and inclusiveness. As President Xi Jinping said, China seeks to "make friends not alliance". Since there is no responsibility constraint, interest exchange, and "protectorate-client relationship" in traditional alliance politics, China does not need to follow the alliance logic of "enemy vs. friend" or "self vs. other" when developing various partnerships. There is no need to make "imaginary enemies" or delineate spheres of influence. At present, the total number of countries that China has established diplomatic relations with has increased to 181, and it has established partnerships with more than 110 countries and regional organizations. There is no priority or inferiority among them, and it has realized an all-round, multi-level, and three-dimensional global partnership network.

Third, China’s global partnership advocates tolerance and inclusiveness, and does not seek status replacement or system transformation. In a broad sense, competition among countries is inevitable in the macroscopic process of human development, especially competition among major powers. Differences in historical conditions and cultural traditions give rise to differences in the political systems and foreign policy orientations of countries, which affect the dynamics of competition among countries. However, the form and direction of competition are still the key to determining the evolution of the international order and the effectiveness of global governance. Compared with the report of the 19th National Congress five years ago, China puts more emphasis on "benign interaction" and "peaceful coexistence" at the level of developing relations with major countries; emphasizes "deepening mutual trust" and "integration of interests" at the level of developing relations with neighboring countries; "maintaining common interests" at the level of promoting relations with developing countries; and upholding "the principles of independence, complete equality, mutual respect, and mutual non-interference in internal affairs" at the level of party diplomacy. These new formulations have shown that the global partnership network is not aimed at competing for dominance or manipulating the "power game", but hopes to transcend the Cold War framework of confrontation between two camps and two parallel markets, and strengthen complementary competition with the goal of jointly maintaining peace and promoting common development. It is also aimed at better adapting to new international circumstances, hastening the transition away from a Western-centered global order, accelerating the shift of the world’s economic center of gravity "from west to east", and accommodating various trends of differentiation and reorganization during the period of turbulent change.

Fourth, China’s global partnership pursues win-win results and does not seek monopoly of power or exclusive sharing of benefits. Unlike some countries that use partnerships to pool resources and consolidate hegemony, China emphasizes achieving common development through partnerships. Taking cooperation under the Belt and Road Initiative as an example. From 2013 to 2021, China’s direct investment in countries along the two routes has exceeded 161.3 billion dollars, with an average annual growth rate of 5.4%. By the end of 2021, overseas economic and trade cooperation zones have been set up across 46 countries, with a cumulative investment of 50.7 billion dollars, paid
taxes and fees of 6.6 billion dollars to the host country, and created 392,000 local jobs. This kind of cooperation does not attach any political strings, does not interfere in the internal affairs of other countries, and regards connectivity and sustainable development as the goal of win-win cooperation, completely surpassing the old path of colonialism or hegemony. In June 2022, President Xi Jinping called for a global development partnership that is united, equal, balanced, and inclusive at the High-level Dialogue on Global Development, and once again clarified the fundamental principles of promoting common development as guidance for global partnership.
Does Chinese modernization signal a break with globalization?

We have pursued a more proactive strategy of opening up. We have worked to build a globally-oriented network of high-standard free trade areas and accelerated the development of pilot free trade zones and the Hainan Free Trade Port. As a collaborative endeavor, the Belt and Road Initiative has been welcomed by the international community both as a public good and a cooperation platform.

—Excerpt from the 20th Party Congress Report

China Embraces Globalization at a Higher Level of Opening-up

In recent years, China's promotion of the dual circulation strategy has been misinterpreted as a return to a closed-door policy, a view that could not be further from the truth. As a beneficiary of globalization, China unswervingly supports globalization and deepens market economic reform, which is an important summary of China's rapid growth over the past forty years. In the new era, China is facing the daunting task of high-quality development, and naturally it will not deviate from the existing path of success without good reason. General Secretary Xi Jinping has repeatedly mentioned that "China's door will not be closed, but will only open wider." This is China's solemn promise to the world.

First, China is still a staunch supporter of the sustainable development of globalization. The new dual circulation development pattern is an optimization of the opening-up strategy to balance internal and external market relations and achieve sustainable development. "Dual circulation" is proposed to solve the problem of how China can better rely on the world market and achieve better development, so as to solve the problem of rebalancing China and the world economy since the global financial crisis in 2008. As a beneficiary of globalization, China has been committed to maintaining and promoting a balanced, effective, and sustainable globalization. In April 2022, at the Boao Forum for Asia, President Xi Jinping used the metaphor of "riding the same big ship" to explain that in a globalized world where one's success could also bring benefits to others, all countries will prosper if they work together or all may suffer if no joint efforts are made to tackle common problems.
"Mankind is a community with a shared future through weal and woe," and all countries in the world need to "strengthen their confidence and help each other in the same boat."

Since the reform and opening up, China's entire modern industrialization system has been built on the basis of external circulation, which has created new vulnerabilities in industrial development. As early as the financial crisis in Southeast Asia, the disadvantages of this classic "East Asian Model" had already emerged. Due to the path dependence of industrial development and economic transformation, China cannot deviate from the original track and stand alone. China needs to maintain sustainable globalization to ensure the safety of domestic industrial development. In the stage of high-quality development, local governments always regard creating a first-class business environment suitable for the growth of multinational corporations as an important goal of economic work, and absorb foreign capital and technologies through opening up in a wider range and wider fields, and gradually realize high-quality development.

Second, China is becoming a vital source of growth for a new round of globalization. The report of the 20th National Congress of the Communist Party of China pointed out that amid changes unseen in a century and the global pandemic, China's development has entered a period of strategic opportunities, risks, and challenges, with rising uncertainties and unpredictable factors. In response to the blockade by Western countries, China needs to actively shape and lead globalization, seize the ethical commanding heights of international development of globalization, increase trust and dispel doubts, and break the blockade by shaping an international space of friendly cooperation.

The establishment of the Lingang New Area of the China (Shanghai) Pilot Free Trade Zone represents a new stage of China's high-level opening up. Compared with the original FTA reform aimed at passively benchmarking the higher standards of economic and trade rules proposed by the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP), the establishment of the Lingang New Area means that China is participating globalization with a more active attitude, responding to the impact of anti-globalization, rebuilding the division of labor between internal and external market entities in major industrial fields with the help of "special economic function zones," and enhancing the resilience of global supply chain cooperation by optimizing the distribution of global value chains.

Against the background of deglobalization, China has launched the Belt and Road Initiative and established close economic and trade ties with most countries and regions in the world. So far, China has signed more than 200 cooperation documents with 149 countries and 32 international organizations. In the past ten years, Chinese enterprises have "gone global" on a large scale to promote the formation of a new wave of industrialization in developing countries around the world after World War II. As of the end of 2021, China's foreign direct investment stock was $2,785.1 billion, and its world ranking rose from 13th in 2012 to third. China has become the most staunch supporter of the United Nations 2030 Agenda for Sustainable Development and the most powerful promoter of Africa's industrialization. China has also launched platforms such as the China International Import Expo to activate the development potential of international trade by actively opening up the market, so that China's development can better benefit the world.
Third, China will adhere to the basic national policy of reform and opening up, and unswervingly promote globalization. In the past ten years, China has always been committed to attracting foreign investment with more open measures. By continuously shortening the negative list of foreign investment, promoting the fairness among domestic and foreign market players, and strengthening the protection of intellectual property rights and other policy measures, China has shown the world its determination to further open up. Since the launch of the development strategy for the Shanghai Pilot Free Trade Zone in 2013, the number of free trade zones currently under construction in China has reached 21. Marked by the signing and entry into force of the Regional Comprehensive Economic Partnership (RCEP), China is actively building a high-standard free trade zone network for the world. In September 2021, China formally applied to join the "Comprehensive and Progressive Agreement on Trans-Pacific Partnership" (CPTPP), and relevant negotiation preparations have already started. China has also applied to join pan-regional cooperation mechanisms such as the Digital Economy Partnership Agreement. So far, China has signed 19 FTAs with 26 countries, and another 10 agreements are under negotiation.

China has a deeper understanding of participating in and integrating into the process of globalization than other countries. From a historical perspective, the Chinese regard the past victimization by Western powers as a result of seclusion, and only by taking history as a mirror can we make steady and long-term progress. China's view of reform and opening up is based on a profound reflection on history, and in the process of opening up, it explores reforms in the field of basic socialist economic system to break the situation. From a practical point of view, with the deep integration of the world economy today, China's development cannot be separated from the world. The output of foreign-funded foreign companies accounts for one-third of China's economic added value, and together with state-owned capital and private capital, they constitute China's economic fundamentals. Facing the future, China will unswervingly implement the basic national policy of reform and opening up, maintain the stability and continuity of the opening-up policy, and always actively devote itself to shaping and leading the globalization process, so as to achieve balanced, effective, and sustainable global development cooperation.

**Technological Innovation and Development Help China Fully Integrate into the Global Technological Innovation Network**

Technological modernization is the key to Chinese modernization. China's promotion of self-reliance in science and technology is not an attempt to reduce the scope and depth of cooperation between Chinese and foreign science and technology industries, nor is it an attempt to significantly reduce or replace the status and role of technology companies from developed economies in the Chinese market, nor is it an attempt to build a self-enclosed and confrontational system. Instead, it is committed to promoting China's wider and deeper integration into the global science and technology innovation network by improving its own innovation capabilities and the development resilience of the science and technology industry, and thus cooperating with other countries to jointly expand the "cake" of the global science and technology industry, so that more countries and multinational companies can benefit from China's technological innovation. Therefore, self-reliance in science and technology goes hand in hand with expanding international cooperation in the science and technology industry and deepening high-level opening up. Specifically, the main reasons for China to
accelerate the realization of high-level technological self-reliance include the following:

First, support high-quality domestic development with high-level scientific and technological innovation, and continuously inject new development momentum into the Chinese economy. At present and in the future, China's economic development is facing the challenges of achieving the goal of "carbon peak" and problems arising from an aging population. Therefore, China needs to enhance the driving force of technological innovation for economic growth. Especially by increasing investment in scientific research in the field of cutting-edge science and technology, opening up new industries or upgrading traditional industries, and striving to realize the leap from "Made in China" to "Created in China," thereby promoting higher-quality growth of the technology industry and economy.

Second, improving independent innovation capabilities has become an inevitable choice for China to deal with the rampant technological bullying. In order to resist and reduce the negative impact of some countries' sanctions on Chinese companies in the field of cutting-edge technology, China has concentrated its efforts on scientific and technological breakthroughs, constantly breaking through technological bottlenecks in key industries, which is conducive to maintaining the country's economic security and people's livelihoods and well-being.

Third, through the implementation of high-level technological self-reliance and self-improvement strategy, contribute to the stability and recovery of the world economic situation, and thus help the domestic economic development. With the development of the modern science and technology industry, the division of labor within the industry is becoming more and more refined, and the industrial chain is becoming longer and longer. China's huge industrialized population, market space, and ever-increasing innovation capabilities make China one of the key nodes in the global industrial chain, supply chain, and innovation network. Under such circumstances, improving China's resilience in the nodes of the global supply chain through technological self-reliance will help maintain the stability of the global supply chain under the impact amid Covid-19, help the global economic recovery, and thus drive the development of the domestic economy.

Fourth, practice the concept of international economic cooperation of mutual benefit and common development by enhancing independent innovation capabilities. In this process, China's development path of science and technology industry can provide useful inspiration for developing countries' industrial upgrading and integration into the international science and technology industry cooperation network, and can also steadily promote the high-quality development of international economic cooperation frameworks such as the "Belt and Road," so that all countries in the world, especially the vast number of developing countries, can share the development dividends generated by China's independent innovation.

"One Country, Two Systems" Promotes Hong Kong's High-Quality and Integrated Development

There are international opinions that, with the enactment and implementation of the national security law and the implementation of the principle of "patriots governing Hong Kong" in Hong Kong, the Chinese government's "one country, two systems" policy no longer exists, and Hong Kong
has been completely "Sinicized." This perception is a misunderstanding or distortion of the "one country, two systems" policy. "One country, two systems" is a great pioneering work of socialism with Chinese characteristics and a long-standing policy of China. The development of Hong Kong, which implements "one country, two systems," is the process of combining its own high-quality development with integrated development.

Hong Kong achieves high-quality development by solving the deep-seated contradictions and problems in economic and social development. In the face of social turmoil in Hong Kong caused by the 2019-2020 riot, the central government has adopted the Hong Kong National Security Law, reformed and improved the electoral system, and implemented "patriots governing Hong Kong" to maintain the security and stability of the country and Hong Kong. With the guarantee of political and security systems, the central government requires the Hong Kong and Macao SAR governments to change their governance concepts, grasp the relationship between the government and the market, better combine the "promising government" with the "efficient market," and devote themselves to solving the problems that affect Hong Kong society. Developmental contradictions and problems. In October 2022, the policy address issued by the Chief Executive of the Hong Kong Special Administrative Region Government, John Lee Ka-chiu, proposed a large number of policies and measures to solve people's livelihood problems and promote economic growth, so as to achieve high-quality development in Hong Kong.

Hong Kong achieves high-quality development by consolidating and enhancing its unique status and advantages. The central government fully supports Hong Kong in maintaining its unique status and advantages in the long run, consolidating its status as an international financial, shipping, and trade center, maintaining a free, open, and standardized business environment, maintaining the common law system, and expanding smooth and convenient international connections. About 75% of the world's top 100 banks have set up business in Hong Kong; 70% of the world's top 100 asset management companies have established branches in Hong Kong; legal services and accounting services bring together the world's top institutions and practitioners, and the world's top 100 lawyers more than half of the banks are operating in Hong Kong. In November 2022, Hong Kong hosted the International Financial Leaders Investment Summit, attracting about 250 international financial giants from all over the world. Despite the impact of Covid-19 and geopolitical tensions, Hong Kong still enhances its own advantages by hosting major international events.

Hong Kong achieves high-quality development by being more open to integrate into globalization. The report of the 20th National Congress of the Communist Party of China pointed out that the central government strongly supports Hong Kong and Macao in deepening more open and closer exchanges and cooperation with other countries and regions in the world. Hong Kong is an international financial, trade, and shipping center. Maintaining Hong Kong's prosperity and stability is not only in the interests of China, but also in the interests of investors from all over the world. In January 2022, the American Chamber of Commerce in Hong Kong released a business prospect survey showing that American-funded enterprises in Hong Kong believe that Hong Kong's competitiveness mainly comes from factors such as free capital flow, international connections, taxation, legal and regulatory systems, and opportunities to enter and exit China (mainland). These factors are precisely the advantages that Hong Kong has accumulated in maintaining a
relatively high degree of globalization. Since its return to the motherland, Hong Kong has long been selected by many international organizations as the world's freest economy and one of the most competitive regions. This is exactly the international community's recognition of Hong Kong's internationalization. The continuous expansion of business in Hong Kong by American financial institutions including Citibank, JPMorgan Chase and Morgan Stanley is the best proof. Wall Street and major international business hubs have benefited enormously from Hong Kong's financial markets.

Hong Kong achieves high-quality development by integrating into the overall development of the country. Hong Kong's integration into the overall development of the country is not about Sinicization, but about better adapting to the general trend of globalization. Integrating into the country's overall development does not mean completely relying on the mainland. The first thing is to achieve its own high-quality development so as to integrate into the country and improve its own development. The strength of the country and the continuous advancement of various major development strategies are the greatest support, backbone, and leverage for Hong Kong's development. The country's large economic scale, large-scale market space, and large-scale development prospects provide Hong Kong with broad strategic development space and in-depth development opportunities.
Does Chinese modernization mean security overrides development?

To build a modern socialist country in all respects, we must, first and foremost, pursue high-quality development. Development is our Party’s top priority in governing and rejuvenating China, for without solid material and technological foundations, we cannot hope to build a great modern socialist country in all respects.

—Excerpt from the 20th Party Congress Report

When interpreting the report of the 20th National Congress of the Communist Party of China, Western media and think tanks seem to focus on the key word "security." The outside world has noticed that the report of the 20th National Congress of the Communist Party of China has a special chapter discussing "promoting the modernization of the national security system and capabilities, and resolutely safeguarding national security and social stability." A Reuters tally based on the yet-to-be-published full written report showed that the words "security" and "guarantee" appeared 89 times, a sharp increase from the report to the 19th National Congress of the Communist Party of China. The Center for Strategic and International Studies, an American think tank, believes that this is "blaming external efforts for China’s plight." From the outside world, it seems that "security" is overwhelming "development," and China will ensure national security at the expense of development. This interpretation is neither accurate nor overly simplistic and vulgar.

First, development is still the most important catchword in the report of the 20th National Congress of the Communist Party of China. Judging from the vocabulary statistics of the report alone, "development" is the most frequently mentioned word besides "party" and "people," and it runs through and is reflected in every chapter of the report. In the published full English version of the report, there are 80 references to security and 181 references to development. In the Chinese version of the report, there are 91 references to security and 240 references to development. At the meeting of the new Politburo Standing Committee elected at the First Plenary Session of the 20th Central Committee and Chinese and foreign journalists, General Secretary Xi Jinping mentioned
development seven times in his speech of just over 1,000 words. The report mentions development far more than security, and the so-called issue of security replacing development is completely false.

Second, development is still the "golden key" to solve all problems in the process of Chinese modernization. The 20th National Congress of the Communist Party of China has consistently emphasized that development is the Party's top priority in governing and rejuvenating the country. After nearly ten years of development, China's economic aggregate has doubled, ranking second in the world; its per capita GDP has also doubled, a substantial increase. The achievement of impressive achievements relies on development. At the same time, the report also makes it clear that China is still a developing country and still in the primary stage of socialism. Although China's economic aggregate is large, its per capita GDP still lags far behind that of some developed countries. According to the 2021 per capita GDP data of the world's countries released by the International Monetary Fund, China's per capita GDP is about $13,000, which is close to the world average. The report has a clear understanding of the hardships of China's future development path. China must solve the problem of unbalanced and inadequate development, promote high-quality development, improve scientific and technological innovation capabilities, ensure the reliability and safety of food, energy, and industrial chain supply chains, and deal with employment and education, and consolidate the achievements of the construction of a well-off society and building a socialist modernized and powerful country will ultimately depend on development. Adhering to economic construction as the center is still a major principle of the Chinese modernization road.

Third, security and development need to be coordinated, and an organic unity of high-quality development and high-level security must be achieved. Security and development are "two sides of the same coin." Security is the prerequisite of development, and development is the guarantee of security. The two complement each other. The report of the 20th National Congress of the Communist Party of China clearly recognizes that the world today is undergoing major changes unseen in a century combined with a global pandemic, which has led to the rise of anti-globalization trends, the rise of unilateralism and protectionism, the sluggish recovery of the world economy, frequent local conflicts and turmoil, and global Sexual issues have intensified, and the world has entered a new period of turmoil and change. Attaching importance to security and strengthening security has become the strategic focus of countries all over the world. The latest National Security Strategy published by the Biden administration lists "security" as the top priority. In the 48-page report, the word security appeared more than 180 times, while the word development is mentioned 50 times. The strategy also regards China as "the most important geopolitical challenge for the United States" and is the only competitor that not only wants to reshape the international order but also has the corresponding economic, diplomatic, military and technological capabilities. Development and security are deeply intertwined. Various "black swan" and "gray rhinoceros" incidents facing China may occur at any time, and external suppression and containment may escalate at any time, requiring China to coordinate development and security. Coordinating development and security is an important lesson the Communist Party of China has learned over the last hundred years and it is also another major principle adhered to in the process of Chinese modernization.

1 IMF, World Economic Outlook, https://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOWORLD/CHN.
Does Chinese modernization come at the expense of the environment?

Reaching peak carbon emissions and achieving carbon neutrality will mean a broad and profound systemic socio-economic transformation. Based on China's energy and resource endowment, we will advance initiatives to reach peak carbon emissions in a well-planned and phased way in line with the principle of building the new before discarding the old.

—Excerpt from the 20th Party Congress Report

For a long time, although China has made remarkable achievements in ecological and environmental protection, American and Western public opinion still misunderstands China's carbon reduction and environmental protection work, such as CNN, BBC, and Washington Post during the Glasgow climate conference at the end of 2021. Concerned about China's failure to promise to abandon coal projects, former U.S. President Barack Obama also pointed out that China lacked the sense of urgency for reducing emissions that the U.S. hoped for, and some developed countries hoped that China would achieve carbon neutrality ahead of schedule.

As early as March 2022, General Secretary Xi Jinping emphasized at the National People's Congress: "Green transformation is a process, not something that can be achieved overnight. It must be established before it is broken, and it cannot be broken before it is established." "Achieving the goal of 'double carbon,' must be based on national conditions, seeking progress while maintaining stability, and gradually realize it, and must not be divorced from reality. 'Carbon reduction' is not a political campaign." On the one hand, the frequent occurrence of global energy crises has highlighted the advantages of fossil fuels in terms of infrastructure, power generation costs, and power supply stability, which will prompt countries to rethink over-rapid energy transformation; on the other hand, with the soaring prices of fossil fuels, the competitiveness of new energy products has been strengthened. The energy transformation at the macro level should be promoted simultaneously with the construction of energy resilience at the micro level. The decarbonization route in time and the regional industrial layout in space are coordinated with each other, forming an overall structure of "establish first and then destroy." "Establish first and then destroy" outlines the feasible way from
carbon peak to carbon neutrality from a long-term perspective, reflecting the unique advantages of Chinese modernization in overall planning.

Chinese modernization has never been and will not come at the expense of the environment. Instead, it will solve the key problems of the corresponding period in stages and focus, and promote ecological civilization and the construction of a beautiful China scientifically and systematically.

First, environmental protection is one of the goals of Chinese modernization. As the largest developing country and a responsible major country, "the construction of ecological civilization is a millennium plan that is related to the sustainable development of the Chinese nation." Chinese modernization can provide a golden key to solving the current global environmental and climate challenges. The report of the 20th National Congress of the Communist Party of China even requires that the modernization process should be planned and developed at the height of harmonious coexistence between man and nature, reflecting that environmental protection is one of the goals of Chinese modernization. Green development is the first priority in Chinese modernization. The main connotation of green development is to promote clean, low-carbon, safe, and efficient use of energy, accelerate the development of new energy, green and environmental protection industries, establish a legal system and policy guidance for green production and consumption, establish a sound economic system for green, low-carbon and circular development, and promote economic development and comprehensive green transformation of social development. China has stopped building new coal-fired power projects overseas, and the clean utilization of coal in China is developing rapidly. It has established the world's largest carbon market, clean power generation system, new power system and energy Internet system.

Second, environmental protection is a specific goal and important achievement of Chinese modernization. Chinese modernization integrates the construction of ecological civilization into the grand blueprint of state governance, comprehensively promotes the top-level design and institutional planning of green and low-carbon development and energy transformation, and incorporates carbon peaking and carbon neutrality into the overall layout of ecological civilization construction, and comprehensively promotes domestic green development. Low-carbon development and energy transformation accelerate the establishment of legal systems and policy guidance for green production and consumption, and establish a sound economic system for green, low-carbon and circular development. The report of the 20th National Congress of the Communist Party of China emphasized the steady promotion of carbon peak carbon neutrality. Achieving carbon neutrality at peak carbon is a broad and profound economic and social systemic change. The Carbon Peak Action Plan Before 2030 accelerates the establishment of a "1+N" policy system. China is constantly improving the regulation of total energy consumption and intensity, focusing on controlling fossil energy consumption, and gradually shifting to "dual control of total carbon emissions and intensity."

Third, protecting the environment is a Chinese plan given by China as a major country. In September 2021, putting forward the Global Development Initiative, President Xi Jinping emphasized the importance of "adhering to the harmonious coexistence between man and nature and of real, concrete actions." Environmental protection is an important way for Chinese modernization to communicate with foreign countries. China has launched a series of green action initiatives and adopted a series
of measures such as green infrastructure, green energy, green transportation, and green finance to continue to benefit and participate in the green development of developing countries and regions. The "Lancang-Mekong Environmental Cooperation Strategy (2018-2022)" promotes the joint construction of a green Lancang-Mekong economic development belt; the Shanghai Cooperation Organization promotes multilateral green energy cooperation between China, Central Asia, and West Asia; and the green "Belt and Road" provides Middle East and Gulf countries with a comprehensive clean energy plan to build a "Green Great Wall," a low-carbon demonstration zone and a climate change adaptation demonstration zone for Africa. The climate change and clean energy cooperation between China and developed countries has promoted the implementation of the Paris Agreement and the global trend of green and low-carbon development. In the current intertwined process of global governance reform and economic recovery, Chinese modernization is the tool and guarantee for promoting global ecological civilization and building a clean and beautiful world.
What is China's vision of the international system and order in the course of achieving Chinese modernization?

China plays an active part in the reform and development of the global governance system. It pursues a vision of global governance featuring shared growth through discussion and collaboration. China upholds true multilateralism, promotes greater democracy in international relations, and works to make global governance fairer and more equitable.

—Excerpt from the 20th Party Congress Report

At present, the urgency of changing the international system and order is unprecedented. On the one hand, the new normal of major power competition, the new situation of regional security, and the new geopolitical pattern continue to evolve. Theories about the "relevance" of the United Nations, the "failure" of international law, and the "obsoleteness" of multilateralism are rampant. On the other hand, certain countries are aggressively promoting hegemonism, unilateralism, protectionism, and interventionism, and unilaterally defining the so-called "rules-based order", triggering heated debates on system restructuring and order reshaping. In this context, how to respond to changes in the system and order by participating in global governance and building a community with a shared future for mankind is the key to understanding the essential requirements of Chinese modernization.

First, China looks to reform rather than overthrow the current international system. In September 2021, President Xi Jinping pointed out in his speech at the general debate of the 76th session of the UN General Assembly: "there is only one international system, i.e. the international system with the United Nations at its core. There is only one international order, i.e. the international order based on international law. And there is only one set of rules, i.e. the basic norms governing international relations underpinned by the purposes and principles of the UN Charter." Although the international system with the United Nations at its core and the international order based on international law have been inadequate in responding to global challenges, resolving regional conflicts, and building collective consensus, it is still the basic "rules of the game" recognized and accepted by most countries, and the cornerstone for maintaining world peace and stability and promoting development and cooperation. The "beneficiaries" in the current international
system, China included, far outnumber the "losers". However, the chronic problem of excessive hierarchy in the current international system has not been eliminated, and the representation and voice of developing countries and emerging economies are seriously insufficient. China does not seek to overthrow the current system or start a new one, but hopes to promote the evolution of the international system in a more just and reasonable direction through improvement and perfection.

Second, China pursues results-oriented global governance rather than "conceptual production." The year 2022 marks the 30th anniversary of the founding of the Commission on Global Governance. The report "Out Global Neighborhood" released by the commission systematically expounded the meaning and scope of global governance, and became the starting point for this concept to enter international discourse. Although the concept of global governance was born in the West, some countries, driven by hegemonic anxiety, have been more eager to use the "alliance system" to contain other countries, and "use or abandon the existing rules at their will." The double-standard behavior is more obvious, and anti-globalization practices such as "building walls and fortifications" and "decoupling and severing chains" are more frequent, leading to aggravated deficits in peace, development, security, and governance. On the contrary, China has become an important practitioner and contributor to global governance even though it is a late comer. In 2015, China first proposed the concept of global governance featuring wide consultation, joint construction and shared benefits, and then initiated the establishment of emerging platforms for global economic governance such as the Asian Infrastructure Investment Bank and the New Development Bank. China has announced its carbon goals to contribute to global climate governance. It also seeks to actively build a high-level opening-up system to maintain the security and stability of the global industrial chain and supply chain. Since the beginning of this year, in response to the security dilemma and food and energy crises caused by the conflict between Russia and Ukraine, China has proposed two major plans, the "Global Security Initiative" and the "Global Development Initiative".

Last but not least, building a community with a shared future for mankind lies in achieving coexistence and common prosperity, not in replacing conflict with civilization. At the instigation of some countries, worldwide ideological disputes, conflicts of civilizational identity and nationalist confrontations limit the joint efforts to pursue common values of humanity. How to rebuild consensus amid a fracturing global governance landscape and return to the track of true multilateralism and building a community with a shared future for mankind is the shared responsibility and collective agenda of all countries. The Communist Party of China not only writes the goal of building of a community with a shared future into the "Party Constitution", but also actively promotes exchanges, mutual learning, and coexistence among civilizations in practice. As President Xi pointed out, promoting the building of a community with a shared future for mankind is a common aspiration of countries with different social systems, ideologies, histories, cultures, and development levels to advance their interests, rights, and responsibilities in international affairs. Under the guidance of the common values of humanity, such as peace, development, fairness, justice, democracy, and freedom, communities with a shared future forged between China on the one hand and other regions of the world like Africa, Arab nations, Latin America, ASEAN, and Central Asia have made remarkable progress. Building a community with a shared future for mankind as the "Chinese solution" for global governance has become an essential requirement for realizing Chinese modernization.
Conclusion

"We are living in an era full of challenges, but also an era full of hope." "The world is once again standing at a historic crossroads, and its future depends on the choices of the people of all countries." The report of the 20th National Congress clarified the major risks and challenges in the period of turbulence and change, and also conveyed China's confidence in the bright future of the world, calling on the people of all countries to become the "helmsman" of the world's destiny. The concept of "Chinese modernization" pioneered by the Communist Party of China is also a solution to the problems of our time in the course of world history that will shape our shared future.
About SIIS

Founded in 1960, the Shanghai Institutes for International Studies (SIIS) is a government-affiliated high-caliber think tank dedicated to counseling government decision-making by conducting policy-relevant studies in international relations and China’s diplomacy. SIIS also aims to help bolster mutual understanding between China and international community by maintaining intensive and extensive exchanges and cooperation with think tanks, research organizations and institutions of higher education in China and around the world. For years, SIIS has been ranked as one of the most influential think tanks in international studies and foreign policy in China.

SIIS comprises six institutes and six research centers, namely, the institute for international strategic and security studies, institute for global governance studies, institute for foreign policy studies, institute for world economic studies, institute for public policy and innovation studies, institute for Taiwan, Hong Kong & Macao Studies, center for American studies, center for Asia-Pacific Studies, center for Russian and Central Asian Studies, center for West Asian and African studies, center for European studies, and center for maritime and polar studies. SIIS has also set up eight in-house research platforms: the center for the study of Chinese diplomatic theory and practice, center for world politics and political parties, center for China-South Asia cooperation, center for BRI and Shanghai studies, center for China-Japan relations studies, center for international cyber governance (in partnership with the Office of the Central Cyberspace Affairs Commission), research base on people’s diplomacy of Shanghai (in partnership with the Shanghai People’s Association for Friendship with Foreign Countries). SIIS has also launched a center for international communications to help strengthen Chinese think tanks’ international standing.

The two flagship publications of SIIS, Global Review (bimonthly and in Chinese) and China Quarterly of International Strategic Studies have become prominent scholarly journals at home and abroad.