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The G20 and China: A Chinese Perspective

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China's Evolving Global View

To a large extent, due to Truman's support for Chiang Kai-shek during China's civil war and America's hostility to the newly founded China, Mao Zedong decided that China should lean one-sidedly on the Soviet Union. For more than a decade the concept of conflict between two camps, the socialist camp and the capitalist camp, dominated China's global view. It was believed that, in despite of the desire for peace by the socialist camp, military conflicts between the two camps were inevitable. The dialectical movement of history would lead to the eventual victory of socialism.

After the rupture of the Sino-Soviet relationship in the 1960s, Mao put forward a theory of "three worlds". According to Mao, the contemporary world consisted of three parts: America and Soviet Union constituted "the first world", developing countries "the third world", and countries in between "the second world". China's

foreign policy was aimed at uniting the third world and befriending the second world so as to form a largest possible united front to fight against the two hegemonic states: the Soviet Union and the United State. China's resources were mobilized to prepare for an invasion by the two hegemonic powers, individually or jointly.

For almost two decades, China was constantly in fear of being invaded, which, unfortunately, was not entirely irrational. Mao's slogan during "Cultural Revolution" was "to dip caves deeply and store food widely". China's global strategy, if there was any, was centered on its own safety. Its leadership was preoccupied with how to react to the conspiracy of imperialism and hegemonism.

Western countries' arrogance, which was manifested most vividly by the late Secretary of State Dulles's refusal to shake hands with the late Premier Zhou Enlai, aroused China's nationalism, the fever of which has lasted, on and off, for more than a century and a half. The motivation behind China's staunch support for revolutionary movements in the rest of the world was mainly ideological, and had virtually nothing to do with China's national interest, which, for a long period of time, was a concept rejected with disdain by the then Chinese leadership as being unethical.

Due to the fear of falling into the traps set by imperialism and hegemonism, as well as the determination to defend national pride, China's foreign policy was characterized by extreme cautiousness, sensitivity and defensiveness. China's foreign policy was largely inward looking but constantly interrupted by outbursts of revolutionary fever.

The Chinese were awakened by the disastrous result of the Cultural

Revolution in the late 1970s. Under the leadership of Mr. Deng Xiaoping, the Chinese government modified and revised its global view. To prepare the Chinese people for policy changes, the Chinese leadership re-shaped its view of the contemporary era. Previously, in line with Lenin's teaching, the era was characterized as one of imperialism and proletarian revolution. Now, according to Deng, the main themes of the contemporary era were peace and development. A pragmatic foreign policy was adopted. The mantra of "whatever our enemy opposes we shall support, and whatever our enemy supports we shall oppose" was replaced by a more relaxed attitude of judging things on their own merits. The changes in Western countries' policy towards China facilitated China's changes in its global view. Since Deng became the helmsman, China's foreign policy goal shifted towards creating a peaceful international environment that would allow China to concentrate on domestic economic development. Under Deng, China's foreign policy was characterized by subtle diplomacy and passiveness.

Over the past decade, as a result of the dramatic increase in contact with the outside world and rapidly increased economic strength, China's attitude towards the outside world has become incrementally more active, open-minded and flexible. Western countries' friendlier attitudes also help. The new policy of China is that it is ready to embrace any country on a bilateral basis as long as the country does not support the independence of Taiwan or want to interfere with China's domestic affairs. Until quite recently, China was very cautious about joining in any multilateral and regional arrangements. The main obstacle for China's participation in such

arrangements was the fear of infringements upon China's national sovereignty.

China's Evolving Relationship with Key International Organizations and International Treaties

According to Prof. Wang Yizhou,¹ the development of the relations between China and international organizations and other forms of multilateral arrangements can be divided into three stages. The first stage was from 1949-1970. In this period, China fought but failed to gain its seat as the only legitimate representative of China in UN. In the 1950s, China submitted entry applications to many global organizations, such as the World Health Organization (WHO), the World Meteorological Organization (WMO), the International Civil Aviation Organization (ICAO), the International Labor Organization (ILO), the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), and the Universal Postal Union. However, all these efforts failed.

The second stage took place from 1971-1978. In 1971, China restored its seat in the UN and was admitted into most international organizations, which included the UN Development Program, the UN Environment Program, the UN Industrial Development Organization, the UN Conference on Trade and Development, the Food and Agricultural Organization of the UN, the UN Educational, Scientific and Cultural Organization, etc. China also established or restored its relationship with the European Community, the Latin American Nuclear-Free-Zone Organization, the International Commission on Large Dams, the International Olympic Committee and the International Organization for Standardization.

The third stage began in 1979 and is still in progress. In this period, China has taken part in the disarmament negotiation conference of the UN, signed a series of documents on disarmament and non-proliferation of weapons of mass destruction, and has entered the WTO after 15 year's hard negotiation. Up to now, China has established relations with or joined in almost all major international organizations.²

Undoubtedly, the UN is the single most important international organization for China. The membership means the recognition of a country's legitimacy by the international community. The veto power makes China feel safe and comfortable. In the UN, China can find more friends who share its wishes and worries. China respects the authority of the UN, and wishes to strengthen its authority hart and soul. However, as pointed out by some foreign observers: China does not want to offend other countries and hence does not want to take a position on controversial issues, which was evidenced by its high rate of absence in voting. China rarely uses its veto power, unless of course its own sovereignty is on the line. However, in recent years, China has begun to change the passive attitudes and has tried its best to cooperate with other members of Security Council. According to Paul Taylor, permanent membership in the Security Council makes France and the UK have a position equal to the U.S. in the UN. But outside the UN, the two countries' influence and status are much lower than the United States. The permanent membership helps the two countries promote their positions in the world. This is why they pay more attention to the role to the UN than does the United States.³ The same is true of China.

China has long regarded the International Monetary Fund (IMF), the World

Bank (WB) and the World Trade Organization (WTO)/ the General Agreement on Tariffs and Trade (GATT) as the three pillars of the world economic order. China has maintained very good relationship with the IMF and the WB, especially with the latter, due to these two international organizations' sympathetic attitudes towards China's reform and opening up since the early 1980s. Even during the Asian Financial Crisis, China's criticism of the IMF was very muted. When Japan proposed the Asian Monetary Fund (AMF), China rejected the proposal for fear of the weakening of the authority of the IMF.

China's entry into the WTO in 2001 was a watershed in China's policy toward international organizations and global governance. The WTO worked out detailed rules on a related code of conduct for international trade (including financial service trade) and established an arbitration mechanism to deal with trade disputes between member nations. Various countries must observe the unemotionally accepted code of conduct in carrying out international trade and investment activities, and some decisions that were traditionally within the sovereignty of one state must be subject to the arbitration of supra-national international organizations (such as the WTO). China's entry into the WTO shows that China has accepted the fact that with the growing role of international economic organizations in world economic affairs, state sovereignty is under increasing erosion. The role of supranational world economic organizations will be further enhanced in the 21st century and sovereign states will have to accept the arrangements and arbitration made by international organizations in many aspects. China is moving towards the direction of preparing to surrender a

certain proportion of sovereignty in exchange for the world peace and prosperity as well as its own long-term interests.

As mentioned earlier, China has participated in or engaged in the negotiations of almost all important treaties. International regimes of nuclear nonproliferation and environment protection are two of the most prominent areas.

Originally, China's position was that, as the first step for nuclear disarmament, the NWSs need to make the commitment not to use unclear weapons on NNWS and the nuclear-free zones. In 1984, China declared its acceptance of Non-Proliferation Treaty (NPT) and became a member of the IAEA. China signed and ratified the treaties of Tlateloco (1973), Antarctica (1983), Outer Space (1983), Rarotnga (1987), sea-bed (1991), Pelindaba (1996), etc. By 1996, China had signed 85-90 percent of all treaties on arm controls.

China's participation in treaties dealing with environment protection has been equally active. China has signed and ratified the Ozone Layer Convention, the Montreal Protocol, and the London Amendment, and the Copenhagen Amendment. China is also a member of Climate Change (UNFCCC) and has signed the Kyoto Protocol.

While having participated in almost all key international organizations, signed most of important international treaties, and played a more and more active role in global governance, in recent years, especially after the Asian Financial Crisis, China has also paid increasingly greater attention towards regional cooperation.

The Asian-Pacific Economic Cooperation (APEC) is the first regional

economic arrangement that China has actively participated in. There are two different approaches towards the nature of APEC. The first approach is that APEC should be an institutionalized and exclusive economic arrangement that is based on binding treaties, rules and regulations. The second approach argued that APEC should be an open, voluntary and flexible forum based on mutual respect, reciprocity and equality. Faced with strong opposition from ASEAN and other Asian countries, America had to give up the intention of making APEC a “community”. In the Bogor Declaration, the aim of APEC was defined as “strengthening the open multilateral trading system; enhancing trade and investment liberalization in the Asian-Pacific; and intensifying Asian-Pacific development cooperation”. Despite the fact that due to the fundamental differences between America and the majority of Asian countries, APEC failed to produce anything important in the area of trade liberalization, less to say any help to stabilize the Asian economy when the Asian Financial Crisis struck.

Despite all the failures, China is still very positive about APEC. The most important rational behind China’s positive attitudes is the fact that APEC as a forum has provided leaders in the region good opportunities to meet and become acquainted with each other. This window of opportunity for leaders “to agree to disagree” is precious.

The G7 and China

According to Hisashi Owada,⁴ from the beginning, there have been two different approaches to what has come to be known as the G7 summit. One approach was

typically represented by one of the founding fathers of the G7, French President Valéry Giscard d'Estaing, who conceived of it as an occasion on which the leaders of the major Western economies take to heart their economic and political responsibilities and exchange views on possible lines of concerted action. The other was represented by the U.S. Secretary of State, Henry Kissinger, who called for a permanent machinery "periodically to follow up our policy directions set out at the summit and to review what further decisions may be needed". The G7 summit is a sort of "club of the leaders of like-minded countries".⁵ The *raison d'être* of the summit, from the time of its inception to the present day, has been to provide a forum – in a non-institutional sense – for the leaders of like-minded countries or countries with common purposes and common perceptions of the world order to get together to share their thoughts and their consciousness of the problems concerning them in such a way that policy convergence or policy coordination on a voluntary basis can emerge.⁶

The subjects that have been discussed at G7/8 summit include economic policy coordination, energy commitments after the second oil shock, international trade, a common Western position in confronting the Soviet Union, the international environment, and a range of issues linked to international crime such as money laundering, drug trafficking, the revival of terrorism, nuclear smuggling and corruption in business. The G7/8 has also discussed help for the countries of the former Soviet Union to rebuild market economies and working democracies, globalization and its consequences, and the reform of international institutions such as the IMF.⁷

It can be seen that the G7 is basically a forum on economics issues. Through policy coordination, the decision made by the G7 ministerial meetings and summits can produce important impact on the global economy. However, in some occasions, the G7 also goes beyond economic issues and produce important impacts on global politics.

In the first 10 years of after its creation, China was not a special concern of the G7. However, as the G7 became increasingly involved in geographical and political issues, such as global arm control, Indonesian-Chinese refugees and the security of Korean Peninsula, the importance of China was gradually recognized. China began to be placed on the agenda. However, China had never been mentioned explicitly in the communiqués of the G7 until the 1987 Venice Summit. In 1989, the G7 condemned China for the Tiananmen Event, and expressed the concern for Hong Kong's return to China. In the 1989 summit, the G7 expressed the wish of an early end of China's isolation. In the 1990 Houston Summit, the French and Canadian Prime Ministers expressed the same wishes. In 1991, China's attitude towards the Iraqi invasion of Kuwait was praised in the London summit. In the 1992 Munich Summit, China was commended for its acceptance of international arm controls treaties and its economic achievement. But at same time the leaders called for China to improve its human rights record. In the 1995 Halifax Summit, China was bestowed some encouragement for its active participation in the international and regional consultations in political, economic and security affairs. The summit expressed the wishes of the member countries' to conduct dialogues with China for the world stability and prosperity. In

the 1996 Lyon Summit the G7 express its welcome for China's participation in the South Pacific Nuclear Free Zone Treaty. In the 1997 Denver Summit, the G8 welcomed China's negotiations with Commonwealth of Independent States on border issues. Still, concern with the political freedom in Hong Kong after its return to China was expressed. After the summit, the U.S. made a gesture by refusing to send a delegate to attend Hong Kong's handover ceremony. In the 1998 Birmingham Summit, Tony Blair praised China's role in the Asian Financial Crisis. Since the 1999 Köln Summit, the G7's interest in China increased greatly. In response, China joined in the GX that was later renamed the G20.

Over the past two decades, China maintained an average annual growth rate of more than 9 percent. Consequently, China's economic strength increased dramatically. During the Asian Financial Crisis, China's policy of non-devaluation made a great contribution to the stabilization of the Asian economy. In recent years, China has become one of the few important engines of economic growth of the world economy. In 2002, China became the fourth largest trading nation, and the biggest FDI recipient county. Since the Asian Financial Crisis, China launched a series of initiatives to promote regional trade liberalization, and participated in the efforts to reform the regional financial architecture and create mechanisms for the coordination of regional exchange rate regimes in the East Asian region. After the entry into the WTO, China's performance in implementing the agreements has been universally applauded. During the aborted Cancun conference, China naturally became one of the leading countries in the G20 of developing countries. Last but not least, China completely changed its

previous policy of keeping a low profile in the nuclear issue of the Korean Peninsula, and became a very positive mediator. On the one hand, China's role in the world affairs is no longer ignorable. On the other hand, China has achieved significant progress in political and legal reforms as well. Consequently, the debate on whether China should be welcome to join in the club of G7 has recently intensified.

For many western scholars, "any major move toward full membership must await China's demonstrable acceptance of the domestic political values that all G8 members share".⁸ According to Mr. Bergsten, who often visits China and is widely regarded as a good friend of China, China's continued failure to democratize rendered its participation in the Summit itself premature,⁹ since "democracy and human rights [are] the core shared property of G7 members, and China [has an] attachment to antithetical values".¹⁰

Still, China's attitudes toward G7 have gradually changed. For a very long period of time, the Chinese government was satisfied with watching what the G7 were doing without much ado about them. The reason was simple. The G7 is just a forum of rich countries and not a global regime with legitimacy of enforcement that is recognized by sovereign governments of the rest of the world. On the one hand, China did not think it could have any influence on what the G7 was going to do. On the other hand, China did not think G7 could do anything about China either: the G7 was not the UN nor could it draft any binding international agreements. Moreover, China was not amused by the G7's lectures on its domestic issues. However, China's reactions to the comments were mostly conciliatory. During the 1990s, the

relationship between the G7 and China was positive, despite the fact that China launched its protests indignantly when the G7 made its self-righteous comments on the issues of Hong Kong and Taiwan. China was fully aware that, in some Western people's mind, the G7 is an exclusive forum of like-minded members with advanced economic credentials and understandings to perform the essential task of stabilizing the world economy¹¹ and that China was not qualified for the membership. But nowadays China is confident and has matured enough so that it will not react to the criticisms by Western governments or individuals in an emotion manner.

Nor does China does covet the membership of the G7. Being a developing country that is still in the process of transformation, China will and must continue to concentrate on its Herculean domestic problems. China will and must listen to outside criticisms in a cold-minded manner. Human rights? Yes, China must improve its human rights record for the Chinese people and appreciate those criticisms that contain no hidden political agenda. Chinese intellectuals who experienced systematic human rights abuse in person during the Cultural Revolution cherish human rights no less than anyone else in the world. Democracy? Yes, however, it is long and time-consuming process. China is not the former Yugoslavia. The Chinese know how demagogues can destroy countries in the name of democracy. In short, China has its own reform agenda based on China's painful history experience. China needs foreign help but not foreign interference. Based on the above-mentioned thinking, China is ready to cooperate with G7 but will not yield to any pressure exercised collectively by the G7 or individually by its member countries.

In the second half of the 1990s, following Hong Kong's participation in the New Arrangements to Borrow (NBA), China started involving itself in the international cooperation led by the G7. Following the commencing of the G22 ministerial meetings of finance ministers and governors of central banks initiated by the President Clinton, China strengthened its cooperation with the G7. On 22 February 1999, the G7 finance ministers' Financial Stability Forum was founded. On 14 September 1999, China, together with the Hong Kong Special Administration Region (HKSAR), Singapore, Australia and Holland participated in the conferences organized by the forum. In 2003, Chinese President Hu Jintao was invited by the G8 to attend the discussion between the G8 and some major developing countries. This was the first time that the Chinese head of state was involved in the discussion initiated by the G8.

To summarize, Chinese government fully understands the importance of the G7. China wants to develop its dialogue with the G7. China's leader would like to utilize the opportunities to meet with the heads of state of the G7 and establish friendly, personal relationships with them. However, China sees no necessity to join in the G7 at this moment even if it were to be invited. China does not want to be intrusive to an exclusive club consisting of so-called "like-minded people". On the other hand, China does not want to bear the responsibility that is not its to bear.

Nonetheless, China might eventually join in the G7/8 and play a role that is proportional to its economic strength. However, that time has not yet come. It would be ideal if there was some mechanism that could help China to familiarize itself with

the mechanisms of the G7, thereby providing China's ministers and deputy ministers with opportunities to acquaint themselves with their counterparts.

The G20 and China

On 25 September 1999 in Washington, D.C., the Finance Ministers of the G7 created the G20 as "an informal mechanism for dialogue among systemically important countries within the framework of the Bretton Woods institutional system". This forum of Finance Ministers and Central Bank Governors was to consist of 19 countries, the European Union, IMF and the World Bank. The mandate of the G20 is to advance discussion, and studies and reviews policy issues among emerging markets as well industrialized countries, with a view to promoting international financial stability. The hope was that through broad participation the G20 could promote broad consensus on the major international financial issues. Different from larger international organizations such as the United Nations, the World Bank and the IMF, the G20 has no permanent Secretariat. The size and structure of the G20 is designed to encourage the informal exchange of views and the formation of consensus on international economic and financial issues.

One of the arguments put forth was that the lack of emerging-market representation in the G7 limits its ability to deal with some issues related to developments in the international economy and financial system. In today's economy, broader representation in policy discussions is crucial. The G20 is designed to fulfill this need for representation from emerging markets.

In his 27 April 1999 remarks to the Interim Committee of the IMF, Minister Martin highlighted the need for more representative institutional arrangements. This need was further reflected in the June 1999 Report of the G7 Finance Ministers to the Köln Summit on Strengthening the International Financial Architecture.

The main issues for discussion at the 2003 G7 Ministerial meeting in Morelia were crisis prevention and resolution, preventing abuses of the International Financial System (promoting transparency and information exchange), combating terrorist financing, globalization (economic growth and the role of institutions building in the financial sector, and financing for development).

Since 1999, China has actively participated in all G20 meetings, and has made its due contributions to the reform of international financial architecture and global economic development. On the first, on 17 November, led by Vice Minister of Finance of the People's Republic of China, the Chinese delegation consisting of officials from the Minister of Finance and the People's Bank of China attended the Vancouver meeting.

On 15-16 December 1999, upon invitation by the Canadian Minister of Finance, Paul Martin and German minister, a Chinese delegation led by China's Minister of Finance and Governor of the People's Bank of China attended the ministerial meeting in Berlin. There the ministers exchanged views on global and regional economic and financial situation, and the reform of the international financial system.

On 28 March, a Chinese delegation attended the second G20 meeting at vice

ministerial level in Hong Kong. The Chinese delegation exchanged views with its counterparts on the issues of crisis prevention and financial supervision as well as global and regional economic and financial situation, and the reform of international financial system.

From 24-25 August 2000, the third G20 sherpas meeting was held in Toronto. The Chinese delegation, led by Vice Minister of Finance, participated in the meeting and exchanged opinions on issues of eliminating the consequences of the financial crisis and meeting the challenges of globalization.

From 24-25 October, the G20 Ministers of Finance meeting was held in Montreal. The subject of exchanges centred on how to respond to the challenges of globalization. The Minister of Finance of China and the governor of the People's Bank of China participated in the meeting.

From 18-19 February, the fourth G20 sherpas meeting was held in Istanbul. Again, the Chinese delegation attended the meeting. The subject of the discussion was again on how to respond to the challenges of globalization and the creation of international standards and the rules for their implementation.

From 29-30 October 2001, the Chinese delegation attended the fifth sherpas meeting whose main topics were how to establish effective international capital markets and the impact of the September 11th terrorist attacks on the global economy and finance.

From 16-17 November 2001, the Ministry of Finance of China and the Governor of the People's Bank of China attended the third G20 ministerial meeting in

Ottawa to discuss the issues of the impact of September 11th on the global economy and the fight against terrorism in financial activities.

From 15-17 July, Chinese delegation attended the sixth shepas meeting in New Delhi.

From 22-23 November, the G20 fourth ministerial meeting was held in New Delhi. The same Chinese Minister and Governor of the People's Bank of China attended the meeting.

From 3-4 March 2002, the eighth sherpas meeting was held in Cancun. The Chinese delegation duly attended.

The creation of the G20 represents a new stage in the informal consultation among industrialized countries and developing countries, which can help to bridge different opinions, promote mutual understandings, so as to form consensus between countries more widely.

The creation of the G20 was a timely gift for a Chinese government that wishes to have closer cooperation with the G7/8 but does not want to be part of it for the time being. Naturally, China's attitude toward the G20 is very positive.

Suggestions for the G-20

For China, the international order is based on the consensus of sovereign countries. Bilateral and multilateral agreements and treaties between sovereign countries are the most important ingredient of the international order. The sovereignty of a national state is inviolable. On the one hand, China accepts the current international order that

reflects the political and economic reality after the Second World War in the form of the authority of the UN and the Bretton Wood institutions. On the other hand, China wishes to reform the international order to better reflect the changes since the end of the Second World War. China does not have a problem with the G7, as long as this informal forum has no intention to replace or weaken the authority of the UN or to impose its will on the rest of the world.

China is interested, but not keen on joining in the G7. Chinese leaders will be happy to utilize the opportunity provided by the G7 summit to acquaint with leaders of the major developed countries who are attending the summit. But Chinese leaders certainly are not interested in attending lectures or showing its solidarity with the rich and powerful to gang up on the less rich and less powerful. It seems that in the foreseeable future China will not take any initiative to join in this exclusive club. The Chinese do not have the habit of being an uninvited guest. But Chinese leaders certainly would accept invitations along with other major developing countries to meet the leaders of the G7 before or after their formal meeting. In contrast, China does not have a problem whatsoever with the G20. China has been and will be participate in the discussions of the G20 actively, along with other major developing countries.

However, despite the fact that the G20 is a better forum for China to exchange ideas with the rest of the member countries, the size of 20 countries seems too big to form consensus on important and controversial issues that by definition is difficult to form. APEC's failure in reaching significant agreements is a good reference. Therefore, to upgrade the G20 at the level of heads of states seems unwarranted. As an

outsider, I personally feel that the role of the G7 is irreplaceable. So it should be left alone as it is. The diversity of G20 consisting of vastly different countries predetermines the difficulty of reaching consensus among member countries. It is also undesirable to transform the G20 from a loose forum to a certain permanent organization with a secretariat. Neither the G7 nor the G20 should become a miniature of the United Nations. There is no need to seek legitimacy for the G7. Being a forum of rich and influential countries, it does not have and does not need to seek legitimacy. The same is true of the G20.

On the other hand, we should also recognize the fact that if a forum cannot produce anything significant and fails to be relevant in dealing with important global or regional issues, member countries will lose interests in the forum. Fatigue will set in and people will be bored attending the meetings, and the public will lose interest for the meetings. Therefore, the key to keeping the G20 alive is to define the subjects of discussions in a correct and timely manner. To do so, it may be necessary that the preparation for each meeting should be better prepared and a precondition for achieving this objective is the active participation by academia as well as government officials. Each member country should assemble a team of researchers to choose the themes for the next meeting and to prepare related documents long before the ministerial meetings.

In summary, firstly, from China's perspective, the existing supra-national international organizations, such as the IMF, the WB and the WTO, especially the UN should be allowed to continue to perform their traditional roles in the global

governance. Reforms are needed, but there are no better alternatives that can replace them. Secondly, NGO voices should be heard and their opinions should be respected. However, NGOs by definition have a fundamental problem of legitimacy in speaking on behalf of a stable constituency. As soon as a civil society organization becomes powerful enough, it tends to have its own interests and become bureaucratic. NGOs are very good pressure groups and they should remain as such. Thirdly, it is hard to envisage the possibility of establishing a new organization of global governance that is more representative and legitimate. The attempt will be too risky and costly. Fourthly, the G7/8 does not have and should not strive to have the legitimacy or authority of a global supra-national international organization. It is certainly extremely powerful in shaping the course of the globalization and the world economy. However, the G7 should not try to impose its will on the rest of the world. It should not try to replace the role of the UN and the Bretton wood institutions. It can set a good example for the rest of the world (for example, the G7, especially the U.S., EU and Japan can do a great favour to the rest of the world by stabilizing the exchange rates of their currencies), if it can act more unselfishly.

The G20 can serve as a supplement or complement to the G7 by making the G7 hear the voice of developing countries. It is not very realistic to expect the G20 to do more. For a long period of time in the future, the role the G20 might still be limited. To talk about the G20 at heads of states level seems to be premature.

From China's point of view, how to manage globalization is indeed an important question. Under the title of the management of globalization many more

specific questions need urgent attention. Currently needed to be discussed are problems such as how to salvage multilateral trade talks, how to stabilize the exchange rates of the key currencies, how to reform the international financial architecture, how to alleviate poverty and narrow the even widening gap between the North and South, how to promote regional trade liberalization, how to implementing the Kyoto Protocol and so on. The world is suffering from the poverty of thoughts; only constructive debate can create a fulcrum so that the earth can be moved.

¹ Wang Yizhou, ed., *Construction within Contradiction*, (Beijing: China Development Publishing House, 2003).

² *Ibid.*

³ Li Dongyan, “A Chinese Perspective of UN Security Council Reform”, in Wang Yizhou, ed., *Construction within Contradiction*, (Beijing: China Development Publishing House, 2002), p. 101.

⁴ Hisashi Owada, *A Japanese Perspective on the Role of the Future of the G7*.

⁵ *Ibid.*

⁶ *Ibid.*

⁷ Nicholas Bayne, *History Of The G-7 Summit: The Importance Of American Leadership*.

⁸ John Kirton, “The G7 and China in the Management of the International Financial System”, Department of Political Science, Centre for International Studies, University of Toronto.

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Ibid.*