| 3G /3 | China and 141, 174, 193, 194 |
|---------------------------------------|--|
| '24-character principle' 3 | role of the IMF 30, 65, 136, 141, |
| | 151 |
| ACP (African, Caribbean and Pacific) | Asian Currency Unit 156 |
| countries 108 | Asian monetary cooperation |
| conditionality and 114 | mechanism 195 |
| and the North–South cooperation | Asia's China 50, 51 |
| initiative 110 | climate change and 56 |
| WTO-compatible economic | Association of Southeast Asian |
| partnership agreement | Nations see ASEAN |
| 108–9 | Auto Parts case 86 |
| Afghanistan | |
| military intervention 71 | Bagdadbahn project 33 |
| as 'pre-modern' 54 | Balkans 34, 285 |
| Africa | Ballistic Missile Defence (BMD) |
| carbon dioxide emissions 250 | system 268, 270, 271 |
| and the demand for raw materials | 'bancor' 2 |
| and energy 39 | Bank for International Settlements |
| see also EU-China-Africa relations | (BIS) 158 |
| Agenda 21 225 | banks |
| aid see development aid | in China 116, 189-90 |
| 'all-under-heaven' approach 51, 54 | reform 194 |
| see also China's China | effect of the financial crisis (2008) |
| Altman, Roger C. 71 | 66–7 |
| An External Policy to Serve Europe's | see also development banks; ECB; |
| Energy Interests 251 | World Bank |
| arms embargo 40, 288, 291–3, 302 | 'Beijing Consensus' 4 |
| lifting 42, 291, 302–3, 305, 306 | Beijing Declaration (2000) 112–13 |
| objectives and effects 289, 291, 292, | Beijing Summit (2006) 110–11, 113 |
| 293, 328 | bilateral free trade agreements (FTAs) |
| ASEAN+3 (APT) process 275–6 | 101, 102 |
| ASEAN 275, 277 | bilateral negotiations, prioritising |
| and institution building 275–6 | 326–7 |
| promoting FDI and outsourcing 37 | bilateral preferential trade |
| relations with the US 272, 275 | arrangements 38, 43 |
| ASEAN Regional Forum (ARF) 275, | bilateral surveillance by the IMF 157, |
| 277 | 183, 191–3 |
| Ashton, Catherine 64 | exchange rates and 191–3 |
| Asia-Europe Meeting 277 | and external stability 192 |
| Asian crisis (1997–8) 136, 157, 192 | bilateral trade 127, 129 |
| Asian Crisis (1997-0) 130, 137, 192 | onateral trade 121, 129 |
| | |

| between China and the US 164, | evolution 318 |
|-------------------------------------|--|
| 165 | influence of the US 313 |
| EU-China 164, 165 | political angle 313, 318 |
| growing discontent 83-5, 87, 91 | rise of the middle class 55 |
| and foreign exchange reserves | and the rise of multipolarism 8–9, |
| 173–4 | 311, 313, 315 |
| misleading nature of balances | share of global GDP 79, 312 |
| 172–3 | see also Brazil; China; India; |
| | Russia |
| biomass power 225, 246 | |
| BIS (Bank for International | BRIC summits 313, 315 |
| Settlements) 158 | 'four-point' proposal 315–16 |
| Bismarck, Otto von 33 | British Empire 32–3 |
| BMD (Ballistic Missile Defence) | British power in late 19th century, |
| system 268, 270, 271 | erosion see UK decline in late |
| Bonn Summit | 19th century |
| effect of US hegemony 71 | building sector, energy efficiency 253 |
| and international economic policy | Bush, George W. 64, 268, 270, 271, 272 |
| coordination 68–9 | business internationalisation 24–5 |
| branding | |
| Chinese 24 | Cancun climate summit (2010) 7, 204, |
| technological standards and 23 | 209, 220, 234 |
| Brazil | failure 38, 326, 327 |
| as an engine of the developing | capitalism 1, 2 |
| world 89 | coordination of socialism with |
| carbon dioxide emissions 250 | Chinese characteristics 59 |
| and the DDA 100, 101 | socialism vs. see socialism vs. |
| economic growth 21 | capitalism |
| energy consumption 247 | see also market capitalism |
| and the financial crisis (2008) 193 | |
| | carbon capture and storage see |
| as a member of BRIC 318 | CCS |
| MNEs 25 | carbon dioxide emissions 220–21, 249, |
| and multipolarism 301 | 250 |
| and permanent membership of the | in China 203, 220–21, 249, 250 |
| UN Security Council 313 | reducing 219–20, 249 |
| Bretton Woods system 1, 2, 43, 67, | from developing countries 217 |
| 128, 153 | cars |
| Bretton Woods I 128, 130–32 | in China |
| failure 131–2, 147 | production 21 |
| Bretton Woods II 128, 132-5, 148 | sales 248 |
| see also 'new Bretton Woods' | fuel efficiency standards 258 |
| BRIC 125, 311 | CCP 16–18 |
| China's membership 312 | bureaucratisation 17 |
| benefits 318–19 | cooperation between the USSR |
| China's multiple objectives 316–17, | and 16–17 |
| 318, 320 | leadership competition 184 |
| Chinese dialogue with 314–17 | programme and strategy 16 |
| as a developing country 317–18 | rapprochement with the US 18–19 |
| disparities within 313 | rise 16 |
| economic growth 21, 22, 312–13 | CCS |
| | China's own initiatives 259 |
| effect on the world order 320 | China's Own illinatives 239 |

| mastering 218 | reintegration into the global |
|---|-------------------------------------|
| CDM 7, 210, 228, 229–31 | capitalist economy |
| defining 229 | (1972–2001) 18–21 |
| and EU-China climate relations | China and international monetary |
| see EU-China CDM | institutions 183–96 |
| cooperation | effect of domestic reform 184, 186, |
| flaws 240 | 187–8, 196 |
| rules and regulations in China 228, | Asian monetary cooperation |
| | |
| 231–4 | mechanism 195 |
| CDM projects | current account convertibility |
| approaches 229 | see current account |
| cycle 229–30 | convertibility |
| CDM projects in China 231 | Decision on Bilateral |
| management institutions and | Surveillance (2007) see |
| domestic approval | Decision on Bilateral |
| procedures 232–3 | Surveillance (2007) |
| wind power 235–6 | institutional adjustment 189–91 |
| central banks | internationalisation of the RMB |
| in China 189 | 195 |
| reform 194 | reaction to the financial crisis |
| see also ECB | (2008) 193–5 |
| | |
| Centre for European Reform 63 | policy formation 183–4 |
| CERs (Certified Emission Reductions) | China–Africa Development Fund 111 |
| 210, 228, 229 | China–EU relations see EU–China |
| EU ETS demand for 228, 230–31 | relations |
| supply by China 228, 231 | China – Measures Related to the |
| from wind projects 228, 236–7, | Exportation of Various Raw |
| 240 | Materials 87 |
| and technology transfer 234-5 | China–US relations 50, 74 |
| CFSP 289, 292, 298, 303 | rapprochement (1969) 18-19 |
| and the arms embargo 302-3 | China's African Policy 110, 111 |
| chaebols 25 | debt reduction and relief 111 |
| Chamberlain, Neville 32 | development aid 111 |
| Chiang Mai initiative 30, 141, 156, 276 | trade relations 110–11 |
| China China | China's China 50, 51 |
| | Chinese focus 58 |
| challenges 327–8 | |
| engagement and cooperation | climate change and 56 |
| between the US, Japan and | replacement 51 |
| 272–4 | China's EU Policy Paper 298-9 |
| 'China in Africa' debates 118–19 | and multilateralism 300 |
| China in the global economy 13–21 | China's world |
| as an ancient economic power | balance between the world's China |
| 13–15 | and 52 |
| balance of power 21–2 | focus from the world's China to 51 |
| decline as an economic power | Chinese arms embargo see arms |
| (1820–1950) 15–16 | embargo |
| modern state and economic | Chinese Communist Party see CCP |
| isolation (1950–71) 16–18 | Chinese Empires 14 |
| obstacles to catching up | Chinese foreign exchange reserves |
| economically 22–9 | 164–5, 166, 173–5, 314 |
| conomicany 22) | 107 3, 100, 173 3, 317 |

| and an up-valuation of the RMB 179 | effect on multilateral institutions 29 end 30 |
|--|--|
| and financing China's outward | and US interests 16 |
| FDIs 172 | colonisation 15, 38 |
| and hot money inflows 174-5 | imperialist race 32–3 |
| relevance of trade balances 173-4 | commercial banks in China 190, 194 |
| role of net FDI inflows 174 | commodity market, regulation 161 |
| Chinese industrial policy 43 | 'common but differentiated |
| Chinese MNEs 20, 24–5, 172 | responsibilities', principle 56, |
| as a threat to the EU 44 | 221 |
| 'Chinese threat' 269, 276 | Common Foreign and Security Policy |
| civilian power, EU as 284–5 | see CFSP |
| Clean Development Mechanism see CDM | Common Security and Defence Policy (CSDP) 285 |
| climate change 7, 202 | communism |
| case study of identities and 55–8 | containment 17–18 |
| EU's role 57 | see also CCP |
| negotiating an agreement 216–18 see also Cancun climate summit | Communist Party of China (CPC) see CCP |
| (2010); Copenhagen climate | competitive liberalisation 38, 127 |
| summit (2009); GHG | comprehensive national power (CNP), |
| emissions | China's quest 314 |
| climate and energy governance 201–11, 215–18, 227 | Comprehensive Strategic Partnership (2003) 86, 330 |
| evolving 208–11 | conditionality vs. non-interference 39, |
| areas of convergence 210 | 106, 112–13 |
| China's position 55–6, 209, 225 | middle ground 113, 120 |
| EU's position 209–10 | trade preferences and economic |
| multilateralism and 7, 208–9 | partnership agreements |
| G2 (China-US) type of | 114–15 Confucius 59 |
| arrangement 208–9, 217 | |
| material realties and policy responses 202–8 | construction sector, energy efficiency in 253 |
| CNH market 155–56 | consumption 179, 180 |
| CNP (comprehensive national power), | dividing line between saving and |
| China's quest 314 | 177 |
| COACH project 258 | effect on emissions 205 |
| coal | see also energy consumption |
| China as a sales market 259 | containment |
| Chinese consumption 223, 224, | of China 40, 270, 271, 328 |
| 248, 256 | of communism 17-18 |
| and climate change 216, 218 | 'continental partner' for China, |
| for energy generation 204, 218, | Europe as 63, 74 |
| 219–20, 246 | continentalism 127 |
| pollution associated with 256 | 'contract manufacturing' 168, 171 |
| coercion 8, 288–93 | Copenhagen climate summit (2009) 7, |
| objectives and effects 288–9 | 204, 262, 297 |
| vectors 284 | China's stance 58, 209, 234, 307, |
| coercive diplomacy 288–9 | 308, 314 FIL approach 200, 217, 307 |
| Cold War | EU approach 209, 217, 307 |

| failure 326, 327 'pledge and review approach' 208 and technology transfer 221–2 Copenhagen criteria 285 Cotonou Agreement (2000) 108 development aid regime 109, 116 trade preferences 108–9 and conditionality 114–15 CPC (Communist Party of China) see CCP cross-regional multilateralism 315, 318 CSDP (Common Security and Defence Policy) 285 Cui Liru 316 cultural G2 59 Cultural Revolution 2, 17, 19 effect on universities and scientific community 18 currency functions 127, 154 IMS and 126–8 valuation 317 see also Asian Currency Unit; dollar; dominant currency systems; euro; key currency systems; pound sterling; RMB current account convertability China's realisation 174, 188, 194 and foreign exchange management 190–91 and reform of banking and financial institutions 189–90 current account positions 147, 175–80 China's and America's imbalances 175–6, 317 and China's record savings ratio | legislative inertia generated 80 reasons 98–103, 326 India's interest 89 and the interests of developing countries 80 lessons to be learned 98–104 methodology for tariff reduction 99, 100 negotiating issues 99 number of participants 99 role of China in negotiations 89–90, 327, 328 Singapore issues 21, 30, 81, 102 debt reduction in Africa 109, 111 debt relief in Africa 109, 111 Decision on Bilateral Surveillance (2007) 183, 191–3 and external stability 192 'decline of the West' 311 defence policy, EU 44, 74, 143 democratic 'messianism' 285 democratic model, appeal of 285–6 Democratic People's Republic of Korea (DPRK) see North Korea Deng XiaoPing 3, 18, 185, 186, 287 deregulation of finance 133–5, 144 D'Estaing, Valéry Giscard 68 developed countries convergence between developing and 125 as energy consumers and GHG emitters 202, 203, 217 energy security 39–40, 202, 206 and GHG emission reduction 221 and technology transfer 221–2 developing countries |
|--|--|
| 175–6, 317 and China's record savings ratio | and technology transfer 221–2 developing countries |
| 176–7 conceptual weaknesses of yardsticks 177–8 rebalancing 179 | China as 52, 55, 166, 287, 317, 319, 327 China's relations with 89, 90 convergence between advanced and 125 |
| Davies, Howard 67 DDA 5, 98 comparisons with previous rounds 98–100 | DDA and the interests of 80 FDI flows to 20 and GHG emission reduction 56, 217, 221–3 |
| and the emerging economies 3, 21, 100–101 EU and Chinese positions 81, 88 failure to conclude 38, 67, 79, 91, | shortage of energy supply 202 see also least developed countries (LDCs) developing countries vs. developed |
| | and the second s |

| countries bloc 55 | links 19 |
|---------------------------------------|--------------------------------------|
| climate change and 57 | and containment of communism |
| 'developing world' dialogue 9, 317–18 | 17–18 |
| development aid | crisis see Asian crisis (1997–98) |
| development cooperation and 115- | development of a monetary area |
| 17 | 155–6 |
| from China 111, 116, 117 | EU regional strategy 44, 276–8, |
| and penetration of developing | 279–80, 305–6 |
| countries 20, 25 | 'Europeanisation' 276 |
| from the EU 109, 115–16, 117, 286 | 'overseas Chinese' community 169 |
| development banks 211 | security order see security order in |
| development policy in Africa 118 | East Asia |
| China 39, 109–11, 118 | shift from the West to 125, 311 |
| debt reduction and relief 111 | see also Japan; North Korea; South |
| trade relations 110–11, 115 | Korea |
| contrasting approaches 112–13 | Eastern civilisation vs. Western |
| EU 107–9 | civilisation 54–5 |
| debt relief and aid for trade 109 | climate change and 57 |
| legal instruments 108 | EBA (Everything But Arms) initiative |
| trade preferences 108–9, | 109 |
| 114–15 | EC |
| values-based premise 39, 112, | and EU energy policy 250-51 |
| 113, 118 | and EU strategy vis-á-vis China |
| Dillon Round 100 | 298, 299 |
| diplomacy see coercive diplomacy; | and lifting the arms embargo 303 |
| 'public diplomacy' | and promotion of multilateralism |
| Disraeli, Benjamin 32, 33 | 300 |
| diverse globalisation 51 | EC – Anti-Dumping Measure on Iron |
| Doha Development Agenda see DDA | or Steel Fasteners 88 |
| dollar | ECB 138, 140 |
| crash 178 | view of the G20 66 |
| as a dominant international | economic development |
| currency 136-7, 143, 178 | Stalinist model 2 |
| fluctuations in value 149 | sustainability of China's 246 |
| and the gold standard 131, 132 | economic growth 22 |
| IMS based on see Bretton Woods | in BRIC 21, 22, 312–13 |
| system | in the EU 140 |
| as the international reserve | economic growth in China 3, 20–21, |
| currency 1, 43 | 140, 166, 193 |
| RMB's pegging with 165, 180 | between 1950 and 1978 19 |
| role in a key currency system | Europe's emissions and 205 |
| 147–8 | exports as a driver 167 |
| dominant currency systems, gold | factors 27–9, 82, 140–42 |
| standard as 159 | capital investment 27–8 |
| DPRK (Democratic People's Republic | labour 27 |
| of Korea) see North Korea | technology 27, 28–9 |
| dual-track price system 185 | and global governance and |
| Fact Asia | multilateral institutions |
| East Asia | 29–31 |
| China's political and economic | limits 22–7 |

| short-term and structural | Secretariat 80 |
|---------------------------------------|--------------------------------------|
| challenges 142 | interplay between over- |
| economic interdependency between | consumption and export and |
| China and the West 36–8 | investment-oriented |
| effect of China's successful growth | economic growth 205 |
| 36–7 | MNEs 25–6 |
| effect on protectionism 38 | share of GDP 125 |
| economic partnership agreements | shortage of energy supply 202 |
| 114–15 | strength 21–2 |
| economic policy cooperation and | trading agreements 43 |
| coordination | in the Uruguay Round 21 |
| between China and the EU 63–4 | and world growth 22 |
| G20 and 65–6 | emerging power vs. postmodern model |
| within Europe 70 | 55 |
| within multilateral institutions | climate change and 57 |
| 67–9, 73 | Emissions Trading System see EU ETS |
| economic power | Empire see British Empire; Chinese |
| in Africa 39 | Empires |
| global balance 79 | EMS (European Monetary System) |
| economic reform in China | 138, 156 |
| dynamics 186–7 | energy 7 |
| and international monetary | climate change and see climate |
| institutions see China and | change |
| international monetary | scramble for 39-40, 44 |
| institutions, effect of | see also fossil energy; renewable |
| domestic reform | energy; sustainable energy |
| process and characteristics 185–6 | energy challenge 201, 202, 245–53 |
| economic sanctions, EU see EU | dealing with 210–11 |
| sanctions | nature 245 |
| EEC (European Economic | energy consumption 247, 248 |
| Community) 2 | in China 204, 219, 223, 224, 245–7 |
| effective multilateralism 300 | breakdown by source 246 |
| efficiency-seeking FDI 37 | outlook 247–9, 256 |
| Eichengreen, Barry 62 | in Europe 207, 247 |
| electricity grids, improving 257 | limiting 205–8, 219–20, 223–4, 234 |
| emerging economies | energy efficiency in China 249, 253, |
| challenge to neo-liberal economic | 256–7 |
| governance 3–4 | energy governance 210–11 |
| coalitions between 79–80 | climate and see climate and energy |
| and the DDA 3, 21, 100–101 | governance |
| demand for raw materials and | common ground 211 |
| energy 39-40 | energy policies |
| economic weight 100-101 | Chinese 256–7 |
| effect of the financial crisis (2008) | EU see EU energy policy |
| 21–2, 155 | energy resources in China 245, |
| and financial market reform 66-7 | 246–7, 248 |
| GHG emissions 56 | energy security 39-40, 202, 206, |
| influence on the multilateral system | 215–16 |
| 30, 31, 65 | and China 40, 211, 245, 256 |
| representation in the WTO | and the EU 211 |
| | |

| energy-supply infrastructure, | EU-China Energy Conferences 251–3 |
|--------------------------------------|---------------------------------------|
| investment 248–9 | 258 |
| Enfinity 260 | EU-China High Level Economic and |
| ENP (European Neighbourhood | Trade Dialogue 83 |
| Policy) 285 | EU-China Joint Statement (2007) 118 |
| environmental problems in China 256 | EU-China relations 4, 50, 74, 277-8 |
| environmental security 245 | and China's integration into the |
| see also climate change | international community |
| EPC (European Political Cooperation) | 299–300 |
| 289, 298 | and climate change 57–8 |
| ESDP (European Security and | contribution to global governance |
| Defence Policy) 285 | 329–30 |
| ESS 277, 299–300, 303, 304 | effect of the financial crisis (2008) |
| and effective multilateralism 300 | 307 |
| EU | general degradation 84–5, 301–4, |
| enlargement 139 | 329 |
| international status 328–9 | and the failure of the EU as a |
| as a political union 143 | coherent actor 302-4, 328 |
| relationship with the US 304, | influence of the US 304-7, 329-30 |
| 305–6 | effect of the financial crisis |
| common economic interests 43, | (2008) 306–7 |
| 44 | legal framework 298–9 |
| stabilisation 140 | and multipolarism 299-301 |
| see also Western Europe | necessary developments 330 |
| The EU, China and Africa: Towards | and soft conflict 58 |
| Trilateral Dialogue and | and trade |
| Cooperation 106–7, 117 | cooperation 82–3 |
| EU energy policy 249–53 | disagreements 83–4 |
| external policy 251–3 | EU-China Summits 83 |
| national sovereignty and 250 | and African development policy |
| EU ETS 209, 210 | 117–18 |
| demand for CERs (Certified | cancellation of the 11th 84–5 |
| Emission Reductions) 228, | and CCS 258 |
| 230–31 | EU-China-Africa relations 5, 39, 50, |
| EU sanctions 289 | 106–20 |
| objectives and effects 289, 290 | conditionality vs. non-interference |
| see also arms embargo | see conditionality vs. non- |
| EU trade policy 42 | interference |
| and the global trading system 43 | development policy see |
| EU-27 139-40 | development policy in Africa |
| EU-Africa Summit (2007) 107, 118 | trade preferences and economic |
| EU-Africa Summits 107, 330 | partnership agreements |
| EU-China CDM cooperation 227-41 | 108-9, 110-11, 114-15 |
| regulatory frameworks 228, | trilateral dialogue and cooperation |
| 229–34, 240 | 117–19 |
| in China 228, 231–4 | four sectors 117 |
| and wind power see wind power | guiding principles 117 |
| and EU-China CDM | key challenges 119 |
| cooperation | motivations 119 |
| EU–China cooperation 278 | euro 140, 156 |

| 1, 1 1 1 127 | 102 4 166 72 207 |
|--|---|
| as an alternative to the dollar 137 | 103–4, 166–73, 287 |
| exchange rate 149 | and Chinese MNEs 172 |
| Euro-Japanese cooperation 277 | development strategy away from |
| Eurogroup 70 | 179 |
| European Central Bank see ECB | growth 167 |
| European Commission see EC | and the growth of China's |
| European Consensus on Development (2006) 107–8, 109 | economy 166 imports and 171–2 |
| development aid and development | link with inward FDI and |
| cooperation 115–16 | relocation 167–9 |
| value-based conditions 112 | restrictive practices 87 |
| European Economic Community | role of Hong Kong and 'overseas |
| (EEC) 2 | Chinese' 169 |
| European MNEs see Western MNEs | role of processing trade 170–1, |
| European Monetary System (EMS) | 178–9 |
| 138, 156 | technological quality 169–70 |
| European Neighbourhood Policy | Export-Import Bank of China 116 |
| (ENP) 285 | pp |
| European Parliament, and lifting the | FDI flows |
| arms embargo 302 | away from China 36-7 |
| European Political Cooperation (EPC) | diversion 37 |
| 289, 298 | from China 63, 174 |
| European Security and Defence Policy | financing 172 |
| (ESDP) 285 | liberalisation 35 |
| European Security Strategy see ESS | outward 167 |
| 'Europeanisation' of East Asia 276 | to China 20, 82, 167–9 |
| Europeanism 55 | importance 26 |
| Eurozone 2, 82 | role of net 174 |
| economic rationale 138 | to East Asia 17 |
| and monetary polycentrism 138–40 | Ferry, Jules 33 |
| political representation 162–3 | FIEs ('foreign invested enterprises'), |
| remedying the fault-lines 70, 139–40 | Chinese exports and 167–8 |
| tensions 4, 43 | finance see global finance |
| Everything But Arms (EBA) initiative | financial crises 136 |
| 109 Evaluate Pata Machaniam 128 | see also Asia crisis (1997–98); Latin America debt crisis; Russian |
| Exchange Rate Mechanism 138 exchange rates 147, 149–50 | crisis |
| bilateral surveillance and 191–3 | financial crisis (2008) 136, 148 |
| multilateral surveillance and | and access to Chinese consumers 26 |
| 156–69, 191 | China's reaction 193–5, 306–7 |
| Purchasing Power Parity (PPP) and | effect on banks and financial |
| 158 | markets 66–7 |
| see also fixed exchange rates; | effect on the emerging economies |
| floating exchange rates; real | 21–2, 155 |
| exchange rates | effect on the Eurozone 70 |
| 'exemplary' power, EU as 286–7 | effect on global governance 3-4 |
| export trade | effect on the multilateral system 38 |
| erroneous obsession with 173 | effect on the relationship between |
| from the EU 83, 103 | China, the EU and the US |
| export trade from China 83, 101, | 306–7 |
| | |

| effect on US hegemony 71, 297, 306 | exchange reserves |
|---|--|
| and EU economic policy | foreign exchange systems |
| engagement with China 63-4 | and bilateral surveillance 191-3 |
| EU reaction 43–4 | in China 185, 190–91 |
| factors 135, 157 | 'foreign invested enterprises' (FIEs), |
| failure to prevent 326 | Chinese exports and 167–8 |
| and the G20 64, 73, 75 | foreign policy, EU 42, 53 |
| and the IMS 195 | foreign policy in China 52, 314, |
| and loss of jobs in China 171 | 317–19 |
| responsibility for 125–26 | anti-imperialist 16-17, 26 |
| financial global governance | end of 19 |
| EU position 43, 44 | maintaining peripheral stability |
| see also IMS | 318–19 |
| financial offshore centres 144 | 'public diplomacy' 319 |
| financial regulation | see also open-door policy |
| liberalisation and deregulation | Forum on China-Africa Cooperation |
| 133–5, 144 | see FOCAC |
| effect on the social contract 126 | fossil energy |
| reasons 133 | China as a sales market 259 |
| reform 66-7, 144 | see also coal; natural gas; oil |
| America's package 67 | France |
| by strengthening 43, 159, 161 | and the arms embargo 291, 302, |
| financial sector in China 142, 143 | 303 |
| reform 194–5 | role of colonies 33 |
| Financial Stability Board see FSB | free trade agreements (FTAs) |
| First World War 34, 129 | effect on WTO negotiations 80, |
| Fisher, Admiral John 33 | 101–2 |
| five principles of peaceful coexistence | use of 327 |
| 52, 110, 112, 113, 118 | FSB |
| arms embargo and 292-3 | and financial market reform 144 |
| fixed exchange rates 1, 67, 131 | and the IMS 127, 158 |
| and surveillance by the IMF 192 | |
| switch to floating from 132–3 | G2 21–2, 314, 318, 320, 326–7 |
| see also Bretton Woods system | EU replication of 64 |
| floating exchange rates 149 | see also cultural G2 |
| and surveillance by the IMF | G4 64 |
| 191–2 | G5 101 |
| switch from fixed to 132–3 | economic coordination efforts |
| FOCAC 109–11, 330 | 67–8, 69 |
| Beijing Declaration (2000) 112–13 | origins 68 |
| and non-interference 112-13 | trade-off on market access |
| FOCAC Sharm-el-Sheikh Action Plan | concessions 103 |
| 116 | G7 3, 65 |
| Foreign Direct Investments see FDI | defence of 65 |
| flows | demise 62 |
| foreign exchange markets 179 | economic policy coordination 67, |
| dual 155–6 | 68–9, 74 |
| foreign exchange reserves | share of global GDP 79 |
| build up 150–52 | G8 21, 211 |
| Chinese see Chinese foreign | economic policy coordination 67–8 |

| COO 2 4 21 21 (2 75 | |
|---------------------------------------|---|
| G20 3, 4, 21, 31, 62–75 | targets 204–5 |
| and China-EU harmony 59, 88 | and technology transfer 220-23 |
| effect of the financial crisis (2008) | through harmonised charges |
| 64, 73, 75 | 216–17 |
| effect of US hegemony 71 | through limiting energy |
| and financial market reform 66-7, | consumption 205–8, 219–20, |
| 144 | 223–4, 234 |
| intergovernmentalism 126 | GHG emissions 202, 245 |
| and international economic policy | in China 56, 202–4 |
| cooperation 65–6, 71, 73–5 | consumption-related 205 |
| legitimacy and efficiency 326 | current and historical 202-4, 227 |
| and the new geopolitical context 72 | internationally transferred 56 |
| and oil security 216 | see also carbon dioxide emissions |
| origins 64–7 | Gjedrem, Svein 72–3 |
| rivalries 72 | Glass-Steagall Act, removal 135 |
| and trade issues 67 | global actor, rise of China as 1–4 |
| views of outsiders 72–3 | global balance of power shift 13-44 |
| Gang of Four 18 | and China's rise 54 |
| Garten, Jeffrey 30 | effect on multilateral negotiations |
| GATT 1, 2, 79, 103, 130 | 79–80 |
| Chinese membership 20 | role of the EU 41–4 |
| European Economic Community | global climate change see climate |
| (EEC) representation 2 | change |
| influence of the US and Europe 29, | global economy |
| 30 | changes in the balance of power |
| rounds see rounds of GATT/WTO | 21–2 |
| trade negotiations | entanglement between Europe's |
| see also WTO | emissions and growth 205 |
| Geely 24, 172 | rise of China see China in the |
| Geithner, Timothy 160 | global economy |
| Generalised System of Preferences | 'global energy hunt', China's 211 |
| (GSP) 109, 115 | global finance |
| Geneva Round 100 | loss of control 125–6 |
| Germany | oversophistication 135 |
| and the arms embargo 291, 302, 303 | regulation see financial regulation |
| rise 32, 33–4, 40 | and shaping the world economy |
| GHG emission reduction | 132-5 |
| by developed countries 221 | global financial crisis see financial |
| by developing countries 56, 217, | crisis (2008) |
| 221–3 | global governance 4 |
| in China 56, 204-5, 219-25, | and China–EU harmony 59 |
| 223–4, 257 | China's role 3–4, 62–3, 287, 288 |
| dilemma 219–20 | contribution of China-EU |
| through developing new and | relations 329–30 |
| renewable energies 225, | domination by the US and Western |
| 234 | Europe 1–4, 29–30 |
| through structural adjustment | effect of the financial crisis (2008) 3 |
| of industry 224–5 | EU's multilateral approach 4, |
| exporting to emerging and | 279–80, 288, 300–301 |
| developing countries 205 | impact of China's future growth |
| | |

| 29–31 | Havana Charter (1950) 2 |
|--|--|
| reform 325–7 | hegemony |
| China's rise and 327–8 | Chinese denunciation 287, 288 |
| see also financial global governance | destabilising effects 270 |
| Global Governance Group 73 | see also US hegemony |
| global powers see world powers | Henning, Randall 68 |
| global technological standards and | high-speed rail |
| branding 23 | expansion 224–5 |
| global trading system | and technology transfer 261-2 |
| position of the EU 43 | see also bagdadbahn project |
| see also international trading | Hong Kong, role in China's export |
| system | trade 169 |
| globalisation | 'hot money flows' 174–5 |
| problems and challenges 193 | Hu Jintao 110–11, 315 |
| rise 1, 126–7, 299 | hub and spoke security system 267, |
| shift to diverse 51 | 269, 274, 279 |
| Godement, François 63, 83, 303–4 | human rights |
| 'going global' strategy 20, 25 | and the arms embargo 291–2, 302, |
| 'going out' 247 | 303 |
| gold standard 31, 128–30 | conditionality and 39, 112–13 |
| dollar and 131, 132 | meaning in China 56 |
| and managing international | hydropower 225, 257 |
| liquidity 131–2, 159–60 | hyper-financialisation 126, 144 |
| Goldman Sachs 23, 312 | dynamics 134–5 |
| good neighbour policy (mulin zhengce) | ICCDD (I) I C |
| 318–19 | ICCPR (International Covenant on |
| 'governance' | Civil and Political Rights) 291 |
| definition 215 | identities 50–9 |
| see also energy governance; global | case study of climate change 55–8 |
| governance; international | China's 50–52 clash between the EU's and |
| governance; neo-liberal | 54–55 |
| economic governance 'Great Depression' 32 | coexistence 52 |
| Great Leap Forward 2, 17, 19 | dilemma of 57–8 |
| Greece, effect of the financial crisis | EU's crisis and dilemma 52–4, 58 |
| (2008) 70 | new world 51 |
| 'green protectionism' 262 | and seeking China-EU harmony 59 |
| greenhouse gas emissions see GHG | IMF |
| emissions | and the Asian crisis (1997–98) 30, |
| Greenspan, Alan 134, 148 | 65, 136, 141, 151 |
| Group of 77 30 | China's accession 19 |
| GSP (Generalised System of | China's weight in decision-making |
| Preferences) 109, 115 | 31 |
| | collaboration with the Bank for |
| Haas, Richard N. 71 | International Settlements |
| Hague Declaration (1991) 277 | (BIS) 158 |
| hard power | economic policy cooperation and |
| and the EU 44, 284 | coordination 67, 73 |
| US as 304 | European and US influence 1, 29 |
| Hatoyama Yukio 273 | and the financial crisis (2008) 306 |

| impp CC Simple C | governance 162–3 and the IMS 127, 153 ntergovernmentalism 126 egitimacy 143, 326 as a lender of last resort 161 moralistic rhetoric 39 reform 21, 143, 163 role in China's reform process 188, 191 Substitution Account 161, 162 surveillance by see surveillance by the IMF rerial system collapse 15 and relative isolation 14 rort trade China's 83, 101, 103–4, 171–2 developing economies' 101 EU's 83, 103 S 5–6, 147–63 Bretton Woods see Bretton Woods system cause of systemic problems 153 currency and 126–8 evolution 155–6 evolving needs 3, 143 exchange rates 149–50 gold standard see gold standard and the governance of the IMF 162–3 and international liquidity see international liquidity see international liquidity see currency systems see key currency systems monetary polycentrism and see monetary polycentrism an | incremental reform 185–6 India as an engine of the developing world 89 carbon dioxide emissions 250 and the CDM 231 and the DDA 89, 100, 101 economic growth 21 energy consumption 247, 248 and the financial crisis (2008) 193 GHG emissions 203 as a member of BRIC 318 and multipolarism 301 opening of its economy 30 and permanent membership of the UN Security Council 313 promoting FDI and outsourcing 37 relationship with China 318–19 rivalries in the G20 72 Indonesia, and the G33 group 101 industrial policy, China's 43 industrial property rights, counterfeiting and violations 180–81 industrialisation and the Great Leap Forward 17 state-led import-substitution 2, 16 of Western Europe 1, 15 in the late 19th century 31, 32 instrumentalism, and multilateral institutions 91, 327 intellectual property rights see IPR internal reform in China, EU support 299–300 International Clearing Union 160 international Covenant on Civil and Political Rights (ICCPR) 291 International Emissions Trading Mechanism 228 International Energy Agency 211 international Energy Agency 211 international institutions importance 325 integration of China 300, 328 |
|--|--|--|
| Ţ | policy 152–3 US and Western European dominance 29 | importance 325 integration of China 300, 328 legitimacy 326 |
| | | |

multilateralism and 301, 330 Japan see also multilateral institutions acquisition of technological capability 26 international liquidity effect of the financial crisis (2008) Ballistic Missile Defence (BMD) system 268, 270, 271 142 - 3IMS and 147-8 business internationalisation 24–5 carbon dioxide emissions 250 and the key currency system 153, 159 development aid and 20, 25 managing 159-62 economic growth 22 through the gold standard economic problems 69 131-2, 159-60 energy consumption 247 regulating 153 engagement and cooperation US as the main supplier 131–2, between the US. China and 133-4 world money and 150-52 Europe's relations with 277 International Monetary Fund see IMF participation in the Library Group international monetary institutions political and economic links with China's participation see China and international monetary China 19 US economic support 17 institutions weakness 195 war with China (1895) 51 see also IMF; World Bank see also US-Japan alliance international monetary system see IMS Japan-EU Action Plan (2001) 277 International Trade Organization 2 Japanese invasion of China 15, 16 international trading system Japanese MNEs 25-6 cooperation between China and the internationalisation of production EU 82-3 processes 35 disagreements between China and Jiang Jieshi 16 the EU 83-5 Joint Africa-EU Strategy (2007) 107 effect of approaches to climate value-based conditions 112 change 217-18 Juncker, Jean-Claude 65 multilateral framework to regulate see WTO Kan Naoto 274 see also global trading system Kenen, Peter 68, 69 **IPR** Kennedy Round 100 key currency systems 147-8, 153-4 in climate change areas 222 liberalisation 35 international liquidity and 153, 159 and the renewable energy market role of the dollar 147-8 237, 238, 240 Keynes, John Maynard 159, 160, 161 King, Mervyn 66 technology transfer and 222 violations 43 Kirton, John 65, 73, 74 see also TRIPs (Trade-Related Kissinger, Henry 18 Aspects of Intellectual Koizumi Jumichiro 268, 270, 271 Korea see North Korea; South Korea Property Rights) Kuomintang (KMT) military Iraq establishment of democracy 285 dictatorship 16 military interventions 42, 71 Kyoto Protocol 208, 221, 227, 228 Ireland, effect of the financial crisis 'common but differentiated responsibilities' 56, 221 (2008)70

| defining the CDM 229 | definition 237 |
|--|--|
| International Emissions Trading | through funding by developed |
| Mechanism 228 | countries 221–2 |
| | through reframing IPR 222 |
| labour income 180 | |
| Latin America debt crisis 69 | Macao 169 |
| least developed countries (LDCs) | macro savings 176-7, 179, 180 |
| GDPs 125 | Mandelson, Peter 42, 63, 74 |
| trade agreements 108–9, 110–11 | Manners, Ian 53 |
| Lenovo 24, 172 | Mao doctrine 16 |
| Liang Qichao 50 | Mao Zedong 18, 51 |
| 'liberal internationalism' 315 | market capitalism 128 |
| liberalisation 21, 35 | combining state capitalism and 141 |
| and the balance of power in the | consequences of the financial crisis |
| global economy 21 | (2008) 136 |
| of finance 133–5 | in the global economy 2 |
| see also competitive liberalisation; | market economy |
| trade liberalisation | granting China status 25, 84, 90, 91 |
| Library Group 68 | see also socialist market economy |
| Libya 286 | market fundamentalism 133 |
| Lin Piao 18 | market-seeking FDI 37–8 |
| liquidity see international liquidity | Marshall Plan 286 Middle East |
| Lisbon EU–Africa Summit (2007) 107, | |
| 118 Lighan Transity 42, 210, 282, 285, 208 | carbon dioxide emissions 250 |
| Lisbon Treaty 42, 210, 283, 285, 308, 329 | energy imports from 206, 245 see also Persian Gulf |
| Article 194 250 | military modernisation in China 29, |
| Lomé Conventions | 40, 269, 270 |
| development aid regime 109 | military power, EU as 53, 74, 284–5 |
| trade preferences 108 | Millennium Development Goals |
| and conditionality 114 | (MDGs) 118, 315–16 |
| Long March 51 | MNEs |
| Louvre accord 69 | and China's industrial policy 43 |
| 'low intensity' protectionism 35 | in the emerging economies 25–6 |
| low-carbon societies 207 | international production networks |
| building 210, 245 | (IPNs) 23, 35–8 |
| European postponement | integration into 21 |
| behaviour 239 | regionalisation 37 |
| low-carbon technology | resilience 36 |
| in China 222, 223 | opening up of China to 2 |
| development 221, 223-5, 256 | 'wintelist' production system 23, |
| competitiveness | 222 |
| concerns over 255 | see also Chinese MNEs |
| cooperation and 209 | modern country, China as 54 |
| friction and increasing 261–3 | monetary polycentrism 127, 128, |
| importing from China 262 | 136–42, 154, 157, 159 |
| low-carbon technology transfer | China and 140–42 |
| 221–3, 261–2 | and the clearing union principle |
| and CDM projects 229, 237, 240 and CER revenue 234–5 | 160 and the creation of an international |
| and CER revenue 254–5 | and the creation of an international |
| | |

| reserve asset 161 | multipolarism with 9, 288, 312, 327 |
|--|---|
| the Eurozone and 138–40 | post-Second World War 1–2 |
| the US and 137–8 | and the rise of emerging economies |
| money see currency; world money | 30 |
| mulin zhengce (good neighbour policy) 318–19 | support of the EU 4, 43, 286, 288, 300–1 |
| multilateral institutions 1–2 | see also regional multilateralism; |
| China's accession 19 | trade multilateralism |
| China's growing dynamism in | multinational enterprises see MNEs |
| 311–12 | multipolarism 4, 8, 59, 136, 270, 288, |
| domination by the US and Western | 297, 308 |
| Europe 2, 29–30 | China–EU relations and 299–301 |
| economic policy cooperation and | differences between multilateralism |
| coordination 67–9, 73 | and 301 |
| impact of China's future growth 29–31 | effect of differentials in economic |
| | growth 22 |
| instrumentalism and 91, 327, 330 integration of East Asian countries | effect on multilateral negotiations 79–80 |
| 17 | growth 79–80, 315 |
| legitimacy and efficiency 326 | multilateralism with 9, 288, 312, |
| see also IMF; international | 327 |
| institutions; World Bank; | poles within 308, 316 |
| WTO | and the rise of BRIC 8–9, 311, 313, |
| multilateral monetary system, setting | 315 |
| up 126 | role of the EU 42 |
| multilateral surveillance 191 | |
| exchange rates and 156-9 | NAMA II 101 |
| multilateral trading system | nation-states |
| balance of power 100 | centrality in East Asia 276 |
| blockade 43, 90 | sovereignty 287 |
| China and EU as major actors 85 | natural gas 215 |
| cooperation in strengthening | imports by China 248 |
| 103–4 | Near Zero Emissions Coal (NZEC) |
| responsibility for reform 89–90 | initiative 258 |
| DDA and 104 | neo-liberal economic governance, |
| and the WTO 80, 81, 85 | challenges 3–4 |
| multilateralism 4, 59, 144 | NEPAD (New Partnership for African |
| Bretton Woods I and 2, 130–32 | Development) 118 |
| China and 288, 300, 301, 315, | 'new Bretton Woods' 3, 143 |
| 318–19, 327 commitments 26 | new world identity 51 new world order 30, 306–7, 308 |
| and China–EU harmony 329, 330 | effect on China's foreign policy 314 |
| and climate and energy governance | shaping 297, 300–301, 320, 329 |
| 7, 208–9 | New York Times 72 |
| current crisis 325–6 | Nixon, Richard 2, 18 |
| effect of the financial crisis (2008) | non-fossil energy sources |
| 38 | China's use of 257 |
| effect of a stalled DDA 80 | see also hydropower; nuclear |
| international institutions and 301, | energy; solar energy; wind |
| 330 | power |

| non-interference 52, 118 | exports 169 |
|--|---|
| conditionality vs. see conditionality | |
| vs. non-interference | Pakistan |
| normative power | and Chinese rapprochement with |
| China as 287 | the US 18 |
| EU as 53-4, 89, 285-6 | and rivalries in the G20 72 |
| North Korea | Paris Declaration on Aid Effectiveness |
| denuclearisation 272 | 116 |
| threat perceptions 268, 269, 275, 277 | Partnership and Cooperation Agreement (PCA) 298 |
| North–South cooperation initiative | partnership-building by China 40 'Pax Britannica', end of 31–4 |
| nuclear capacities | peaceful coexistence, five principles see |
| China's modernisation of 271 | five principles of peaceful |
| non-proliferation and disarmament | coexistence |
| 277 | peaceful development, China and |
| North Korea's 268, 269, 275, 277 | 287–8, 292, 328 |
| nuclear energy 206 | People's Bank of China (PBC) 189 |
| China as a sales market 259 | as the central bank 189 |
| China's use 225, 257 | 'people's heart' 54 |
| and technology transfer 261–2 | People's Liberation Army (PLA) 16, |
| NZEC (Near Zero Emissions Coal) | 18 |
| initiative 258 | People's Republic of China (PRC) 51 see also China |
| OAU (Organisation of African Unity), | peripheral stability, maintaining |
| Charter 112 | 318–19 |
| Obama administration, and East Asia | Persian Gulf |
| 270, 272–3, 278, 279 | oil from 215–16 |
| OECD countries 125 | see also Middle East |
| Bretton Woods system and 130 | Peterson Institute for International |
| carbon dioxide emissions 250 | Economics 67 |
| as energy consumers and | Pittsburg Summit 74, 178 |
| greenhouse gas emitters 202 | Plaza Accord 69 |
| energy consumption 246 | effect of US hegemony 71 |
| growth comparative to BRIC 22 | political coercion see coercion |
| OECD Development Assistance | postmodern model |
| Committee (DAC) 116 | emerging power vs. 55 |
| oil | climate change and 57 |
| demand in China 246, 247–8 | EU as 54, 284 |
| imports by China 248, 256 oil security 39–40, 215–16 | pound sterling 31, 129, 159 |
| and the price of oil 216 | poverty in China 223 |
| One China principle 110 | eradication in Africa 108, 115–16 |
| 'open regionalism' 38 | power |
| open-door policy 20, 35, 168, 169, 171, | effect of the financial crisis (2008) |
| 318 | on distribution 306 |
| Opium Wars 19, 51 | EU 284–7 |
| Organisation of African Unity (OAU), | rising Chinese 52 |
| Charter 112 | see also economic power; hard |
| 'overseas Chinese', and China's | power; military power; |
| | |

| normative power; soft power; world powers | regional trade agreements (RTAs) 38, 43, 80, 101–2 |
|--|--|
| Power Audit of EU-China Relations 83 | regulation of finance see financial |
| 'power politics' world 284 | regulation |
| PPP (Purchasing Power Parity) 158 | relocation 167–9 |
| preferential trade see trade preferences | renewable energy 206–8, 218 |
| preferential trade agreements 38, 80, | in China 206–7, 225, 234, 237–8, |
| 90, 327 | 240, 246, 257 |
| processing trade 172 | business opportunities 259–60 |
| and China's exports 170–71, | driving force behind targets 206 |
| 178–9 | and the regulatory framework |
| protectionism PRIC and 21 | for the CDM 228, 231–4 |
| BRIC and 21 in China 181 | cooperation and competition 209, 262–3 |
| | EU objectives 207 |
| effect of economic interdependency 38 | see also biomass power; |
| and the EU 84 | hydropower; nuclear energy; |
| fighting against 104 | solar energy; wind power |
| and the G20 67 | renewable portfolio standard (RPS) |
| in the late 19th century 32 | 258 |
| 'low-intensity' 35 | renminbi see RMB |
| and mitigation of climate change | Republic of China 51 |
| 218 | research and development see R&D |
| in the US 35 | Rio Earth Summit (1992) 221 |
| see also 'green protectionism' | 'rise of the rest' 311 |
| 'public diplomacy' 319 | RMB |
| public procurement practices in China | as an alternative to the dollar 137 |
| 181 | convertibility 141, 143, 195 |
| Purchasing Power Parity (PPP) 158 | exchange rates 149–50, 176 |
| Putnam, Robert D. 68 | gradual revaluation 178–80 |
| 1 0 101 101 104 | internationalisation 142, 195 |
| the Quad 81, 101, 104 | pegging with the dollar 165 |
| quantitative monetary policy, US 152–3 | undervaluation 6, 83, 141, 164–81, |
| 132–3 | 317 rounds of GATT/WTO trade |
| R&D | negotiations 98–100 |
| in China 23–4 | negotiating issues 99–100 |
| expenditure on 23, 24, 27, 41 | number of participants 98–9 |
| railways, high-speed <i>see</i> high-speed | see also DDA; Uruguay Round |
| rail | RPS (renewable portfolio standard) |
| Rambouillet 68 | 258 |
| rare-earth resources 206 | RTAs (regional trade agreements) 38, |
| Rato, Rodrigo de 192 | 43, 80, 101–2 |
| raw materials, scramble for 39-40, 44 | rural sector in China, and remodelling |
| real estate sector in China 28, 37 | of the development pattern |
| real exchange rates 317 | 179–80 |
| developments 158 | Russia |
| regional multilateralism 8 | carbon dioxide emissions 250 |
| see also cross-regional | economic growth 21 |
| multilateralism | energy consumption 247 |

energy imports from 206, 245 socialism with Chinese characteristics and the financial crisis (2008) 193 as a member of BRIC 318 coordination of European relationship with China 40, 318-19 capitalism 59 Russian crisis 157 socialism vs. capitalism 54 climate change and 57 SAARC (South Asian Association of socialist market economy, Regional Cooperation) 317 establishment 187 SACU (Southern African Customs soft power Union) 115 China as 287, 319 sanctions. EU see EU sanctions EU and 42, 278, 279, 284, 304 Saudi Arabia, as a major oil producer solar energy in China 225 216 feed-in tariffs 258 savings dividing line between consumption foreign investment 260 and technology transfer 261-2 and 177 see also macro savings South Africa Schott, Jeffrey 67 industrial composition 115 Schultz, George 68 and NAMA II 101 science degrees in China 23-4 South Asian Association of Regional SDRs 6, 161–2 Cooperation (SAARC) 317 South Korea enhancing the role 161 increasing the attractiveness 161-2 acquisition of technological Second World War 1, 129–30 capability 26 effect on global order and business internationalisation 24-5, multilateral institutions 29, 26 chaebols 25 Security Council see UN Security US support 17 South-South alliance 316 Council South-South cooperation framework security order in East Asia 8, 267-80 engagement and cooperation 110, 113 between the US, China and Southern African Customs Union (SACU) 115 Japan 272–4 EU's regional strategy 44, 276–8, sovereign debt crisis 53, 139 279-80, 305-6 Special Drawing Rights see SDRs SPT (six-party talks) 272, 275, 330 evolving 274–6 intra-regional collaboration Stalinist model of economic 275–6, 278, 279 development 2 US-Japan alliance see US-Japan state capitalism, combining market alliance capitalism and 141 Seoul Summit 178 STRACO₂ project 258 Shanghai 195 Strauss-Kahn, Dominique 62, 64–5 Singapore 73 subsidiarity, principle of 215 Singapore issues 21, 30, 81, 102 surveillance by the IMF 191 'Single Undertaking' rule 80, 102-3, Chinese position 192–3 of exchange rates 156–69, 191–3 six-party talks (SPT) 272, 275, 330 sustainable development 108, 114, 118 smart power, concept 285 sustainable energy 255-63 social contract, effect of deregulation China as a sales market 259-60 of global finance 126 EU–China cooperation 257–9

| comparison with China's own | bilateral 172–3 |
|--|--|
| initiatives 259 | deficits |
| limited impact 258 | EU with China 83, 164, 165t |
| in policymaking 257–8 | US 66, 164, 165, 317 |
| friction and increasing | role of the G20 66 |
| competitiveness 261–3 | solving imbalances 193 |
| and low-carbon societies 207 | and foreign exchange reserves |
| see also renewable energy | 173–4, 193 |
| 'sustainable peace' 53 | through up-valuation of the |
| Swiss Formula 99 | RMB 178–80 |
| Swiss I dilitata 99 | surpluses 66, 141, 174 |
| Taiwan 16, 110, 115, 269, 270, 287, | Trade and Cooperation Agreement |
| 292 | (1985) 298 |
| US policy 17, 270–71, 273, 305 | trade liberalisation 1, 17 |
| tao guang yang hui 52 | effect of a stalled DDA 80 |
| technological capability | in the late 19th century 31–2 |
| acquisition 18, 22–7, 171 | trade multilateralism 127 |
| gap between China and other | trade preferences |
| advanced economies 41 | China's approach 110–11, 115 |
| risks of slow progress 27–9 | EU's approach 108–9, 114–15 |
| technological and marketing standards | see also preferential trade |
| 23 | <u>*</u> |
| | agreements |
| technology development in East Asia 17–18 | trade protectionism <i>see</i> protectionism transport, oil demand 247–8 |
| | |
| see also low-carbon technology | Treaty of Rome 2 |
| 'Third Way' 135 | Triffin's dilemma 147, 150 |
| Tiananmen Square 288 | Trilateral Coordination and Oversight |
| Tirpitz, Admiral Alfred von 33 | Group 275 |
| Tokyo Round 99, 100 | TRIPs (Trade-Related Aspects of |
| trade | Intellectual Property Rights) 41 |
| and China-EU relations 82–3 | Truman, Harry S. 2 |
| divergences and competing | THE 1-11-1-1-10-1-10-1-10-1 |
| interests 83–5 | UK decline in late 19th century 31–4 |
| and China's development policy in | comparisons with 21st century |
| Africa 110–11 | changes to the balance of |
| effect of the financial crisis (2008) | power 34–41 |
| 155 | the scramble for raw materials |
| see also bilateral trade; export | and energy 39–40 |
| trade; global trading system; | strategic tensions 40 |
| import trade; multilateral | technological gap 41 |
| trading system; processing | trade, investment flows, |
| trade | protectionism and |
| trade agreements 38 | economic interdependency |
| for least developed countries | 34–8 |
| (LDCs) 108–9, 110–11 | UN 2 |
| see also free trade agreements | Chinese seat 19 |
| (FTAs); preferential trade | democratic system 215 |
| agreements; regional trade | UN Charter 112 |
| agreements (RTAs) | UN Security Council 2, 215 |
| trade balances | and China–EU harmony 59 |
| | |

| permanent members 31, 313 | balancing 8, 297, 301 |
|--|--|
| China as 56 | and the Bretton Woods system see |
| UNFCCC 208, 210, 221, 228 | Bretton Woods system |
| and technology transfer 221, 262 UNFCCC Conference of the Parties | and changes to the balance of |
| UNFCCC Conference of the Parties | economic power 30–31 |
| 217 | in East Asia 267, 269, 270, 279 |
| 'uni-multipolarity' 288 | and economic policy cooperation |
| uni-polarity 288 | 71 |
| unilateralism | effect of the financial crisis (2008) |
| avoiding 4 | 71, 297, 306 |
| destabilising effects 270 | erosion 71, 315, 316 |
| unipolarity, structural imbalance 317 | comparisons with UK decline in |
| universalism 54–5 | the 19th century 34–41 |
| Uruguay Round 30, 81, 100 | US MNEs |
| influence of the emerging | internationalisation of production |
| economies 21 | processes 35 |
| success 79, 102 | as market-seeking investors 37–8 |
| US | US-China Strategic and Economic |
| and the arms embargo 303, 305 | Dialogue 272 |
| carbon dioxide emissions 250 | US–Japan alliance 267, 274, 278, 279 |
| containment strategy see | strengthening 268–9 |
| containment | Chinese worries and responses |
| crisis in economic governance 3 | 269–71, 279 effect of distrust of China 268–9 |
| domination of global governance | |
| 1–4 | USSR |
| economic growth 22 | collapse 133 |
| energy consumption 247 engagement and cooperation | cooperation between the CCP and 16–17 |
| between China, Japan and | |
| 272–4 | geopolitical position 18, 19 see also Russia |
| GHG emissions 202, 203, 220–21 | see also Russia |
| mitigation 218 | Vestas 260 |
| influence in BRIC countries 313 | Vietnam War 18, 26 |
| influence on China–EU relations | Volcker, Paul 69 |
| 304–7, 329–30 | Voicker, raur 09 |
| monetary polycentrism and 137–8 | Wall Street crash (1929) 129 |
| protectionism 35 | 'Washington Consensus' 3, 143 |
| quantitative monetary policy | Washington, George 287 |
| 152–3 | Weigel, George 53 |
| recession 179 | Wen Jiabao 52, 219 |
| relations with ASEAN 272, 275 | West, shift to the East from 125, 311 |
| relations with China see China-US | Western civilisation, Eastern vs. see |
| relations | Eastern civilisation vs. Western |
| relationship with the EU 304, 305–6 | civilisation |
| common economic interests 43, | Western colonisation process 15 |
| 44 | Western Europe |
| relationship with the UK 34 | development of military spending |
| Taiwan policy 270–71 | and long-distance trade 14–15 |
| trade deficit (1960s) 34–5 | domination of global governance |
| US hegemony 2, 4, 297 | 1–4 |
| • | |

| economic integration see EU; | climate change and 56 |
|---------------------------------------|------------------------------------|
| European Economic | European focus 58 |
| Community (EEC); | focus to China's world from 51 |
| Eurozone | WTO 5, 29, 79–91, 103 |
| industrialisation 1, 15 | adaptation to multipolarism and |
| in the late 19th century 31, 32 | rise of emerging powers 80 |
| Western MNEs | bilateral trade and 127 |
| interest in East Asia 26 | Chinese membership 3, 20, 51, 63, |
| internationalisation of production | 81–2, 86, 141, 300, 327 |
| processes 35 | commitments 83–4, 90 |
| wind power | and financial sector reforms |
| in China 225, 235 | 194–5 |
| foreign investment 260 | economic policy cooperation and |
| electricity grids and 257 | coordination 67 |
| feed-in tariffs 257–8 | EU membership 81 |
| friction and increasing competition | EU–China interaction 80–91 |
| 261 | future agenda 104 |
| wind power and EU-China CDM | improvements needed 103 |
| cooperation 228, 234–9, 240, 262 | leadership role for China 328 |
| 70 per cent local content rule | role of China in reform 89–90 |
| 237–8, 240, 261 | 'Single Undertaking' rule 80, |
| finance 236–9, 240 | 102–3, 326 |
| technology transfer 237, 238, 240 | WTO dispute settlement system 85–8 |
| wind concession system 238, 240, | attraction 85 |
| 261 | EU–China interaction 80–81, 85–8, |
| 'wintelist' production system 23, 222 | 91, 327 |
| World Bank 1–2, 55, 188 | evolution of actors' behaviour |
| China's accession 19 | 86–7 |
| economic policy cooperation and | substance of disputes 87–8 |
| coordination 67 | timing of disputes 86 |
| European and US influence 29 | use of formal litigation 86 |
| moralistic rhetoric 39 | significance of use 88 |
| world money | WTO Doha Development Agenda see |
| international liquidity and 150–52 | DDA |
| see also currency | 'WTO plus' obligations 82 |
| world order | WTO Secretariat, representation of |
| effect of BRIC 320 | emerging economies 80 |
| nature 317 | WTO-compatible EU–Africa (ACP) |
| see also new world order | trade regime 108–9 |
| world powers | trade regime 100 9 |
| China as 287–8, 300, 312 | Yaoundé Convention 108 |
| 'peaceful rise' 63, 287 | Yeo, George 73 |
| EU as 42, 283–7, 308, 328–9 | yuan |
| deployment of power 284–7 | convertibility for non-residents |
| meaning of coercion in cooperation | 155–6 |
| see coercion | exchange rate 150 |
| 'modern' 284 | exchange rate 150 |
| the world's China 50, 51–2 | Zhang Baijia 52 |
| balance between China's world and | Zhou Enlai 18, 112 |
| 52 | |