Chinese Foreign Trade Policy within GATT-WTO: Parallel or Shadow Institutionality?

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Abstract: The discussion of China’s rise as a global economic and political power in recent decades has been fueling various theoretical discussions based on the evolution of its foreign trade policy. Hence, empirical research method is proposed in the field of international law involving the study of institutions, norms and procedures based on academic evidence. In this sense, this article analyzes the underlying reasons why this country, despite its late insertion into the Multilateral Trading System, has a relevant influence in the present. In fact, this influence from China has generated a scenario of regionalism both in the Asia-Pacific and with other strategic partners. All this, in addition to also evidencing a progressive "shadow institutionalism". Thus, this whole previous situation means that exist a real primacy achieved by China at world nowadays which also tends, in certain circumstances, to tarnish and even undermine the role of the GATT-WTO paradigm and its logic of multilateralism. Accordingly, this implies a particular scenario that suggest a whole parallel model of authority that affects the dynamics of international relations.

Keywords: Business Law; Foreign Trade Policy; China; Multilateralism; Institutionality

1. Introduction

The vertiginous economic growth of the People's Republic of China in recent decades has positioned this country as the most important emerging power with a determining role in the international system in the 21st century. Thus, this country has gone from being an obedient normative receiver to a leading agitator as a normative issuer.¹ Its rise has even aroused fears in some academic circles that foresee a conflictive international system as its power consolidates. This given that in certain areas China’s worldview is conceived as incompatible with the current foundations of international relations led mainly by Western countries.²

Nowadays, China is partly the result of the structural changes adopted in that country since 1978, which led to various reforms not only within domestic policy, but also gave a

significant turn to the whole orientation of foreign policy. The latter is understood as the measures that make up the different public policies of a government to advocate the welfare of its citizens and represent its national interests as a culture and society to other countries.

In this sense, the modernization of China's economy was accompanied by a new approach in its foreign policy focused on openness and the search for a better insertion in the international system. The above, considering not only the dynamics of globalization but also the need to adjust the traditional worldview of that society. Therefore, according to Delage, the changes taking place in the international system demanded a reinterpretation of the world by this Asian country. Thus, from the process of economic opening China began to shape a new foreign trade policy in which international relations were configured as one of its strategic pillars for the consolidation of its current model. This is understood as the approach of the foreign trade policy of any State as the framework of premeditated measures of liberalization or protectionism. These measures include, for example, the signing of trade agreements that usually determine the degree of openness of international trade, i.e., the suppression or not of import and export controls.

Then, a few years later, during the 1980s, it was possible to observe a Chinese foreign trade policy with a clear focus on open regionalism, which responded to the need for a cautious opening to the world. The aim was to strengthen the mechanisms of openness with moderation and to increase exports, as well as to encourage the attraction of foreign direct investment. Thus, the nature of all these actions accentuated the interdependence between the countries of the Asia-Pacific area at the level of trade, capital, labor, and knowledge flows.

Other important Chinese actions included strengthening its economic policy framework after joining the Asian Development Bank and, in the early 1990s, establishing diplomatic and trade relations with neighbors such as Vietnam, Indonesia and Singapore, among others. This context would visibly contribute to China's acquisition of a leading role in Asia after interacting with the Association of Southeast Asian Nations (ASEAN). All these

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5 Rubiolo, María Florencia. “política exterior china hacia los procesos de integración regional de asean: el foro regional de asean y asean plus three.” *Astrolabio*, no. 5 (December 2, 2010). https://doi.org/10.55441/1668.7515.n5.183.


8 Romero-Ortiz, Maria Elena. “El Regionalismo en Asia Pacífico: Las Estrategias de Japón y China en la Región.” *Latin American Journal of International Affairs* 2, no. 3 (2010).
actions would later lead the Asian giant to express its interest in joining the World Trade Organization (WTO), which would only become a reality at the end of 2001.  

As a result, China, driven by its foreign trade policy, took three decades to move from a first scenario of open regionalism to a second scenario of trade multilateralism. The first was characterized by interaction with contiguous countries within its zone of influence; and the second was characterized by it becoming a full member of the WTO, thus interacting with most of the countries that follow the rules of the General Agreement on Tariffs and Trade (GATT). All this transition has then entailed remarkable changes for the Asian country, which has seen its foreign trade increase considerably and how successively its economy has also been growing in an extraordinary way.

Therefore, the evidence in the deployment of China’s foreign policy involves the search for the evolution of its region in addition to achieving sufficient autonomy to decide its own path, globally. All this, advancing economic growth and development without interfering in the internal social balance. However, while international rules and institutions are usually politically neutral and seek to redound to the common good. In any case, within international politics, whoever governs makes the rules since rules and institutions reflect the distribution of power in the international system. In fact, an undeniable manifestation of China’s power is taking place so that the world order may be, at least, adapting from new influences in what can be called parallel institutionality.

In that order of ideas, the central purpose of this article is, on the one hand, to demonstrate the existence of such institutionality and, on the other hand, to characterize this parallel or shadow institutionality. The above, highlighting the facts that have occurred in this regard, conceptual precisions, as well as objectives, strategies and concrete policies applied in relation to this phenomenon of international relations.

2. Method

This paper conducts a comprehensive review of the academic literature to reveal the proposed hypothesis on "shadow institutionalism". Therefore, in the field of law, empirical research is developed, which at a general level involves the study of institutions,

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rules, and procedures. All this, based on academic evidence to understand how the phenomenon works and what effects exposes this object of study. All of this, using data from legal documents and official organizations content about the diachronic behavior of China in the international system.

3. The Opening-up Process and the Dynamics of China's Foreign Policy

The 20th century witnessed the growing multiplication of spaces of interaction between different states through the signing of international agreements, which has been the genesis of the contemporary model of global order. However, since the modern age, the need to regulate interactions between nation-states, which in today's terms can be understood as institutionalization, has been discussed in the theory of law. Thus, after the Peace of Westphalia in 1648 and in the following decades, modern public international law was born, whose articulating axis has been international treaties. All of them based on a model of legal reciprocity, which soon became a foreign policy tool for states with a considerable level of power, establishing zones of influence, bloc systems and political-economic alliances.¹³

Some treaties even date back to antiquity; however, it took almost three millennia until Westphalia for them to come to prominence during the modern age. This was a period in which nation-states, as part of a process of historical construction and as a form of political organization between different societies, emerged until they practically became as they are known today. Although indifferent to this entire past, the periods following World War I and especially World War II have been decisive for the proliferation of multiple international agreements that have successively brought with them a remarkable proliferation of international organizations. These have become increasingly relevant today in view of their specialization and contribution to the achievement of certain common objectives by states.¹⁴

(...). After the creation of the United Nations (UN) in 1945, several new organizations for permanent institutional cooperation between states emerged with the general aspiration of maintaining international peace and security on a global scale. Many of these organizations excel in a wide variety of fields and are endowed with deliberative and plenary bodies with universal participation in order to seek the form of new joint international agreements. That is to say that the UN arose, among many other political reasons, given the impossibility of states to face individually the problems of coexistence and coordination of interstate juxtaposition.¹⁵

Therefore, international agreements, and many of the bodies that administer them, are created under a liberal orientation also inspired by the principles of legal equality.

¹³ Forero Rodríguez, Mario A. “Integración y Multilateralismo En El Marco de Las Relaciones Económicas Internacionales.” Revista Análisis Internacional (Cesada a Partir de 2015) 0, no. 3 (October 27, 2011): 47–64.


between states, cooperation, and political dialogue. This is in order to address specific issues of certain groups of countries or even of the entire world society. Thus, the agreements arise from the will of the states, given that they do not have their own autonomy as such and therefore their actions are not outside or against the interests of their members. Similarly, the organizations derived from such agreements will act or not according to the decisions of their member states, although, in any case, their actions will also be the result of the interplay of interests and powers of the member governments. All of these, which will accommodate their political power according to the objectives they pursue within their foreign policy.\footnote{16}

It can be said then that because the institutions derived from international agreements lack their own autonomy, independent of the states that comprise them, they tend to become an extension of the foreign policy of nations, depending on the level of international power they hold, since power is dynamic over time. Therefore, international institutions have become not only a space for deliberation and cooperation on the international agenda, but also a stage for political-diplomatic confrontation between the different states. In fact, in an extension of their foreign policy as an extension of the pursuit of collective as well as national interests.\footnote{17}

In the case of China, many of the interactions described above within international relations have not been alien to this Asian country, given that after the end of World War II it witnessed a profound restructuring of its domestic and foreign policy. This restructuring may also respond to a strategy of power, hegemony and influence based on a model of economic and commercial renewal. All the above within a complex world panorama driven in turn by various trends, among which globalization stands out.\footnote{18}

(...) In the last 150 years, the globalization process has gone through three stages. The first (1870-1913) saw a great mobility of capital and labor, as well as a trade boom based on the sharp reduction in transportation costs, rather than on free trade. After World War II, a new stage of global integration began (1945-1973), with the birth of international institutions for technical, financial, and commercial cooperation and the expansion of trade in manufactures between developed countries. During this period, a wide variety of economic organization models coexisted with limited capital and labor mobility. In the last quarter of the 20th century, the third phase was consolidated, with the gradual generalization of free trade, the growing presence on the world scene of transnational corporations operating as international systems of integrated production. All this has had an impact on the expansion and considerable mobility of capital, together with the persistence of restrictions on the movement of labor, massive access to information in “real time”, thanks to the development of information and communication technologies, and a visible trend towards the homogenization of economic development models.\footnote{19}

In addition to the above, it should be noted that on a political administrative level the "Republic of China", known as such at the time, was originally one of the founding states of the UN in 1945; however, after the civil war of 1949, the government in charge, led by the Kuomintang party, lost effective control of mainland China and was forced to relocate to the island of Taiwan. Then in October of that same year after the outbreak of the civil war, the Communist Party finally took power in Beijing proclaiming the state known today as the People's Republic of China. Subsequently, after several years of diplomatic processes of the new government, resolution 2758 of the General Assembly of 1971 was achieved, which officially recognized this official State and the only legitimate representative of that country before the UN until the present. This fact possibly marked the beginning of this Asian country in several multilateral spaces in addition to legitimizing its self-determination as a State within the current system of international relations. 20

This followed the "Cultural Revolution" that during the 1960s had left traces of a regime that sought to preserve Chinese communism by suppressing any capitalist aspect of society in order to consolidate a planned economic model. Therefore, after so many convulsive moments in China at that time, the country had to move forward developing a multiplicity of measures to transform the administration of the State and redirect its path as a society. 21 Subsequently, in 1978, the Boluan Fanzheng policy was implemented, understood literally as "eliminate chaos and return to normality" and with which Deng Xiaoping, then supreme leader of the Asian country, implemented a forceful program to address various errors arising from the Cultural Revolution previously launched by Mao Zedong. The program then gradually abolished the policies associated with the Cultural Revolution, giving rise to several political and economic reforms that made this transition process a preponderant moment for the history of China, establishing the foundations for the social opening of the country. 22 In fact, in 1982, the current Political Constitution of China was approved, eliminating most of the elements associated with dictatorship and its planned economy model. This reestablished the offices of China's president and vice-president with term limits, which has put the country in tune with Western liberal-progressive liberalism. 23

According to Zhimin, 24 China's foreign policy has been oriented towards a coupling orientation that has aimed to accept and even adapt to the prevailing international institutional framework. Although this does not mean that the country does not also

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consider an orientation of revisionism vis-à-vis such institutionality, given that China may aim to redefine certain rules of the game according to its interests within the established institutionality. In other words, the foreign policy of this Asian country currently moves in an ambivalent scenario in which both orientations are feasible and considerable in foreign policy depending on the circumstances of international relations, as shown in Figure 1.

**Figure 1.** China's foreign policy according to the orientation of coupling and the orientation of revisionism.

Regarding the coupling orientation of China’s foreign policy, theoretical evidence shows that the rise of the Asian country does not necessarily pose a threat to the stability of the international system and that the world is not on the verge of a period of conflictive transition. This is because China’s interests may be to integrate effectively into the liberal international order. However, such integration depends to a large extent on how the West, especially the United States, manages China's demands and participation in the existing order. This implies the need to strengthen the institutional system, its norms, principles, and organs, to generate alternative channels for the inclusion of China as well as other emerging powers. It can be added then that China can have full access to the system and grow within it, as long as there is political will on the part of the Western order.

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About the revisionist orientation, the evidence seems to suggest a context where parallel or shadow institutionality emerges in a certain way. All this considering that China seeks the achievement of a realignment of the established order by employing, in its zone of influence, the construction, support and participation of international institutions in addition to the existing ones. These institutions may prove useful in the future, but the Chinese leadership does not intend, for the time being, to replace the existing institutions of the international system. This means that the objective of this institutional restructuring is a response, firstly, to greater autonomy and balance vis-à-vis the United States and, to a lesser extent, the European Union; it is also a response, secondly, to the possibility of China's prestige, influence, and power, given that as it continues to rise, all these institutions will possibly be strengthened.

Consequently, all these changes have caused, within the public administration, a different way of managing the foreign trade of the also known "Asian giant". A state which, by participating in the international system and facing globalization, has had to open its market to move, in this case, from trade isolationism to trade openness. Thus, since the launching of the process of economic reforms and various trade policies at the end of the 1970s, during the last century, its economy has undergone one of the most outstanding evolutions in recent history which, given the size of this country in terms of geographical extension and population, has turned it into a world economic player of the first order.¹⁶


Clearly, two chronological events have been decisive for the current history of the People’s Republic of China: on the one hand, the implementation in 1978 of the various measures set out in Boluan Fanzheng and, on the other hand, the adoption in 1982 of its latest Political Constitution. In this sense, a new direction of the entire foreign policy for this country became evident, since in both cases the role that the foreign trade policy should subsequently take to liberalize the exchange of products with other countries and to take a stand against trade protectionism was obviously fixed. All this considering the prolonged political and economic isolationism that the country had experienced before these two events.²⁷

Likewise, after China’s entry into the Multilateral Trading System following its late accession as a full member of the WTO in 2001, it was possible to strengthen a regulatory framework that established the entire legal system to regulate the country's foreign trade policy. Thus, China’s main laws on international trade, organized hierarchically in Figure 2, are the 1994 Foreign Trade Law, the 1987 Customs Law, and the 1992 Regulations on Import and Export Tariffs. Successively over time these guidelines have been revised and updated to date being adapted to the regulatory framework in line with the country's liberalization approach, including legal procedures governing foreign trade, tariff

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schedules, as well as sanitary and phytosanitary measures, anti-dumping, countervailing and safeguard measures, intellectual property rights and even new similar laws and regulations.\

Figure 2. Hierarchical structure of the rules governing China’s foreign trade policy.

Source: Own elaboration based on Heilmann, Rudolf, Huotari & Buckow.

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There is no doubt that China’s foreign trade legislation has undergone several changes, which not only respond to the orientation of foreign policy, but also, of course, in accordance with the new practices that international trade is experiencing over time, also influenced by globalization. In other words, the process of opening the Asian giant has been progressive and has adapted to its own interests as well as to the needs of liberalization and internationalization in the world. Thus, in the first phases of reforms and insertion into international trade, China focused on creating incentives to promote the development of economic initiative (new forms of organization, promotion of private initiative, entry of foreign investment and capital, etc.) which, in effect, has meant important governmental changes. Although in any case, despite this conciliatory approach to global trends, the country has kept the monopoly of many strategic sectors under its control. In fact, sectors such as banking or oil are at present considered essential and, therefore, the government holds a total interventionism on these indifferent of the internationalization strategy of its economy.

For this reason, the internationalization of China’s economy has been limited to its foreign trade policy guidelines and this has been cautious and consistent with the country’s interests. In other words, since Boluan Fanzheng, the 1980s have been characterized by a process of implementing open regionalism. In which case the measures aimed, given the interdependence that it implied, to initially increase trade between neighboring countries with a free flow zone of trade, capital, labor, and knowledge; in order to promote the development and growth of that specific area. Likewise, integration in this part of the world was deepened in a framework lacking formal rules that constrained countries; that is, based on concerted but voluntary actions, promoted by the market, non-discriminatory and inclusive, unlike other modes of interaction typical of the West.

According to Suominen, open regionalism has been an attempt to cope with the challenges posed by globalization, based on the management of foreign trade policies of a certain number of specific countries that tend to share common characteristics. It is also a flexible and controlled way for certain countries to take advantage of certain economic and political capabilities on a smaller scale in geographical terms. Regionalism is therefore an approach to make the diversity of regional trade arrangements compatible with the binding Multilateral Trading System led by the GATT-WTO, as was the case with Asia. This operates on a global scale in geographic terms. In part, this has been one of the reasons why China has seen the alternative of continuing to pursue various agreements within its sphere of influence even after becoming a member of the WTO.

It could be said that the most notable attempt at Asian regionalism was ASEAN, which achieved effective recognition in the world precisely because of its interactions with China. Later, in the 1990s and the beginning of the 21st century, outward-oriented

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Regionalism was mainly economic in nature, to the exclusion of any political integration project, and adopted flexible and not very institutionalized forms. Although, in any case, there was a will to build an Asian regional identity due to the intensification of relations between countries with very different levels of industrialization and development, financial integration, and the proliferation of bilateral trade agreements that multiplied considerably.\textsuperscript{33}

As these reform and gradual opening-up measures were being implemented, the need for more ambitious measures in other areas was also emerging. This meant that China’s foreign trade policy required a further major adjustment, which had been in the making for more than a decade. In this case it was its accession to the WTO, which was achieved after an arduous negotiation process in 2001 and as a result the country has had to assume the rules of this organization, as well as numerous commitments to open up its economic relations with the world\textsuperscript{34}. It is at this point when there is a migration from a scenario of open regionalism in Asia, where China had expanded its leadership by strengthening ASEAN and developing new avenues of cooperation in the area; to a scenario of trade multilateralism, where China enters the WTO to achieve certain self-interests in addition to strengthening the Multilateral Trade System due to the economic importance of the country.\textsuperscript{35}

Sanahuja also adds that within these self-interests, the multilateral practice of China’s foreign policy can be interpreted as a possibility to confront the dissatisfaction of emerging countries with Western hegemony and the liberal order that prevailed after the post-World War II period. At this time, therefore, the revisionist orientation takes center stage, understood as a panorama of new prominence on the part of some states who, due to their new features of influence, tend to claim rights, revise rules, or propose alternatives, see Figure 3, in order to decolonize the international law exercised by certain traditional powers. According to Castillo-Castañeda\textsuperscript{36}, this means that the states that are achieving power status, as has happened with the emerging countries, generally seek not only to assume the role of normative receiver or passive actors within the international system, but also normative issuer or active actors to achieve institutional changes and reduce power gaps with respect to the power countries.

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\textsuperscript{36} Castillo-Castañeda, Alberto. “Perspectivas y dimensiones de una gobernanza global: el futuro de la Unión Europea como actor internacional.” Oasis, no. 18 (November 21, 2013): 95–114.
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Since China has migrated from open regionalism to multilateralism, the country’s economic growth has been extraordinary and its role in international relations has become increasingly substantial. A situation that raises questions as to whether China will

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Source: Own elaboration based on Zhang, OMC and OMPI.
change the rules of the global order. Everything seems to depend on the dynamics of multilateralism, since this cannot be sustained if the interests of the current international institutions are out of alignment with the distribution of power of its main actors. Especially those states that in time reach a new global prominence and demand more participation to change the rules that are detrimental to their own interests or to the interests of majority of countries within the international system. Therefore, it is assumed that as long as the status quo is maintained China will continue to act ambivalently, with a parallel or shadow institutionality see Figure 4, and transiting between the margins of a coupling and revisionist orientation, according to its national interests and those of the international system agenda.\(^\text{38}\)

**Figure 4.** Ambivalence of China’s foreign trade policy and its parallel or shadow institutional framework.

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Source: Own elaboration based on Chin & Thakur; Heilmann, Rudolf et al & Paradise.

It seems irrefutable then that the People's Republic of China has managed to lead several initiatives that are, depending on how you look at it, complementary or even antagonistic to the current international system. Thus, yet another new challenge is emerging in international relations and the world economy, given that this nation and its economy, the largest in the world if measured by its gross domestic product, has not managed to

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fit within the GATT-WTO paradigm that acts as one of the main regulators of globalization. It is not that China explicitly fails to comply with the rules, but rather that the WTO rules were not designed with China's economy in mind, where its foreign trade policy seeks to both raise prosperity and strengthen foreign policy to increase Chinese power in the international system.

4. Facts that make China a Major Player in the Current International System

All this economic openness and institutional transformations have undoubtedly generated China's current prominence in international relations; all this, from the outstanding direction of its own foreign policy. As a result, this country has a striking weight within the international system because it is currently one of the main providers of funding for peacekeeping operations within the UN. In fact, China is in second place with 15.21% of total UN funding after the United States, which currently accounts for 27.89%. Likewise, China also stands out as one of the main contributors of troops to UN peacekeeping missions with 2.91%, which is not a minor figure since it provides more troops than any other permanent member of the UN Security Council.

Another case of China's prominence in international relations, despite its late entry into the Multilateral Trading System in 2001, has to do with the adjacent position of power that this Asian country has achieved within the WTO. This considering that most of the income that makes up the annual budget for this international organization comes from the contributions derived from its members. Thus, such contributions are delimited according to the participation of each country in international trade. This logic has meant that after the remarkable growth of the Asian country's trade since its entry into the WTO, it has become for several years now, after the United States with 11.84%, the second full Member with 10.53% in generating the main economic contributions to meet the total budget for the operation of the Multilateral Trading System.

Even during the well-known Great Recession of 2008-2009, China was already leading initiatives such as the economic and trade partnership of the five emerging economies - Brazil, Russia, India, China, and South Africa (BRICS) - which at the beginning of that same decade were considered the most promising in the world. All this considering common elements such as large population (about 43.31% of the world population), a huge territory (almost 38.5 million km²), but above all outstanding growth rates of their gross domestic product and, also, of their share in world trade, which makes these countries extremely attractive as a destination for new investments.

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During the Great Recession, the full deployment of China's foreign policy was also evident when the G-20 London Summit was held as an international forum. The aim was to coordinate, at the global level, various measures to stabilize financial markets, reform and strengthen global action to alleviate the economic system and put the world economy on the path of sustained growth in order to leave behind the deep crisis of that time. In any case, although the group was convened as an emergency measure due to the complex international situation, it was also an ideal platform for advancing structural and fundamental reforms to the international economic and financial architecture in which the Asian country played a leading role.\footnote{Kim, Chi-Wook. “El G20 y los cambios en la gobernanza global.” Revista Mexicana de Política Exterior, no. 91 (2011): 11–41.}

Regarding the G-20 summits, all the declarations delve into the commitment to reform the international financial institutions, so that they adapt to the changes and new global realities. Thus, making them more inclusive of both developing and emerging economies, giving the latter a greater voice and representation capacity.\footnote{González Parias, Carlos, and Juan Mesa Bedoya. “Multilateralismo Chino, ¿giro Hacia El Revisionismo?: El Caso Del BRICS y El G20,” 17–32, 2016.} In fact, there seems to be no doubt that the level of participation and the incidence of certain emerging countries, such as the BRICS group, has increasingly improved, especially China, which currently ranks among the 10 largest contributors to the International Monetary Fund (IMF).\footnote{Armijo, Leslie, and Cynthia Roberts. “The Emerging Powers and Global Governance: Why the BRICS Matter.” In Handbook of Emerging Economies. Routledge, 2014. https://www.taylorfrancis.com/chapters/edit/10.4324/9780203108765-33/emerging-powers-global-governance-leslie-elliott-armijo-cynthia-roberts.}

All these facts, derived from Boluan Fanzheng, have boosted China as an influential economy within the global sphere; also making it the country with the largest international reserves, reaching more than 3 trillion dollars. This has allowed it to become an important institution in financing international debt for various states within the international system, in addition to acting as an emergency lender which seems to compete directly with the International Monetary System led by the IMF\footnote{Jeanne, Olivier. “International Reserves in Emerging Market Countries: Too Much of a Good Thing?” Brookings Papers on Economic Activity 2007, no. 1 (2007): 1–55.} A situation that for some has consolidated China’s economic and political power within international relations, to the point that it is even estimated that the Renminbi, its local currency, will strengthen until it becomes an international currency within Asia and other regions, sharing 3 to 12% of international reserves in the coming decades.\footnote{Lee, Jong-Wha. “Will the Renminbi Emerge as an International Reserve Currency?” The World Economy 37, no. 1 (2014): 42–62. https://doi.org/10.1111/twec.12092.}

According to the above, on the one hand, China seems to have achieved a share of global power that has permeated into certain traditional institutions of the international system, all of which are derived from the post-World War II period. Institutions focused both in the social and commercial sphere as well as those focused on financial and monetary matters. In which, a certain political pressure is exerted by those countries sponsoring these international organizations, which can lead to reforms within them. On the other
hand, a parallel or shadow institutionality can also be observed, which undoubtedly reveals a new paradigm of power characterized by the new influences of certain countries in the international system, such as China.

This parallel or shadow institutionality seems to be evident de facto, given that due to the absence of political will or the interests of members of certain international organizations, a process of weakening of the Multilateral Trade System is being generated. This is because several states establish rules outside the traditional multilateralism model, as is the case with some international trade agreements. Hence, the profound and decisive reforms in China’s foreign policy, carried out since the late 1970s under Boluan Fanzheng, have led to the successive establishment of a clear position with respect to China’s foreign trade policy. In the latter, a multiplicity of unparalleled transitions has been achieved. For example, it has mutated from economic isolationism to economic openness, which for decades has not only brought the Asian country into the international arena but has also generated extraordinary diplomatic power shifts. Not since the end of World War II and the end of the Cold War, with the global primacy of the United States over the Western Hemisphere, has such an exciting, conspicuous, and dizzying level of international relations been spatially manifested.

In short, the People’s Republic of China has undergone a transition from a timid foreign policy, geographically and thematically reduced in the 1980s and a good part of the 1990s, to a foreign policy with greater dynamism, extended to different areas and issues, as well as amplified on a global scale. All this, forging an ever greater economic and political power of this Asian country within international relations, which is transforming its own international profile as well as its own perception of the world.

5. Conclusion

The remarkable transition has to do with how China has opened its economy and foreign trade in a prudent but firm manner, managing not only to break in first within its continent, but later in other cardinal points of the world, specifically within the developing economies of various countries. This led to consolidate and then expand its zone of influence, in such a way that later its insertion into the Multilateral Trading System was an event with deep expectations due to all the doubts regarding its economic system. Expectations that, in any case, have been surpassed given that this Asian country has become the economy with the highest gross domestic product if measured by purchasing power parity, the largest exporter in the world, and one of the main

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international lenders given that it has achieved the largest international reserves in history. Hence the previous transition can be described as a change in strategy from open regionalism to the so-called multilateralism in which most countries converge. Thus, in the first strategy, China consolidated its position as a power among Asian countries, liberalizing its trade with neighboring countries and developing rules to deal with this scenario; while in the second strategy, China joined the WTO as an option for regulating international trade operations and accepted a series of normative provisions made up of the GATT and various legal texts subscribed to by the member countries of this organization.

The implementation of the above strategies in China's foreign trade therefore implies a new web of interactions within international relations. This is because intrinsically in the Asian country's foreign policy there is evidence of a potential action that can lead to a scenario of ambivalence, depending on national interests and the dynamics of the international system of the moment. Thus, it may be convenient to exercise an orientation of coupling or an orientation of revisionism, in which the latter has created a complex parallel or shadow institutionality that depending on the degree of deployment of power of the Asian country, may or may not represent an additional contender or avenue for the management of globalization within the current multilateral trade system.

Acknowledgments

The authors would like to acknowledge the remarkable support of the universities of each researcher involved for the development of the current paper.

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