



**UNIVERSITY  
OF MALAYA**

**INSTITUTE OF CHINA STUDIES**

马来亚大学中国研究所

# ICS Bulletin

No.2 2015



## International Conference Malaysia, China, and the Asia-Pacific Region in the Twenty First Century

On October 29 and 30, the international conference on "Malaysia, China, and the Asia-Pacific Region in the Twenty-First Century" was successfully organized by the Institute of China Studies, together with the Kong Zi Institute of the University of Malaya and with financial support from the Sunrise Corporation, Japan Foundation Kuala Lumpur, and the Association of Graduates of Chinese Universities and Colleges in Malaysia. The Conference was well attended by more than 200 participants and received extensive coverage in the newspapers in the country. More than 20 papers were presented, with Professor Wang Gungwu of the East Asian Institute at the National University of Singapore providing the Keynote Address. In this Keynote Address, title "China in the Region: Old and New Norms," Professor Wang contrasted the American and Chinese sense of superiority of its own civilization. Traditionally the Americans believe that their model and culture are superior to others and wish to spread its civilization to benefit others. This form of superiority translated into frequent interference in the affairs of countries and acts of expansionism. The Chinese sense of superiority was

much more self-centered. The traditional Chinese worldview placed China at the center of the world. While the Chinese tend not to interfere too much in the domestic affairs of other societies, they also tend to have very little interest about what others think of their cultural values. Other than Professor Wang, other notable scholars who presented paper in the Conference included Professor Aileen Baviera of the University of the Philippines-Diliman, Professor Yuji Suzuki of Hosei University, Professor Lu Jianren of Guangxi University, and Professor Anthony Milner of the Australian National University.

Professor Li Mingjiang of the Nanyang Technological University presented his paper "The PLA and China's Smart Power Quandary in Southeast Asia" in which he argued that despite China's moves to exercise soft and smart power in the Southeast Asian region, these moves continued to be countered by the more hardline actions undertaken by the Chinese military.

*Continue in next page.....*

## International Conference Malaysia, China, and the Asia Pacific Region in the Twenty First Century

.....Continue from page 1

Professor Kuik Cheng Chwee of the Universiti Kebangsaan Malaysia described the recent challenges in Malaysia-China relations. He noted several unprecedented incidents, including the missing MH370 airplane and the incursions of Chinese naval ships to Malaysia's waters in early 2013 and 2014 and discussed how these incidents had resulted in some policy adjustments of the Malaysian government towards China. Dr Ngeow Chow Bing from the Institute of China Studies presented a paper on the relationship between Barisan Nasional and the Chinese Communist Party. Professor Evelyn Devadason of the University of Malaya analyzed the trade relationship between China and Malaysia within the context of ASEAN and the impending RCEP. Her research suggested a decline in the trade posture of the China-Malaysia relationship as relative advantages are most likely to be altered under the expanded matrix of Chinese relations with RCEP members. ♦



Professor Wang Gungwu from East Asian Institute, National University of Singapore delivering the keynote address



LEFT Officiating speech by Tan Sri Ong Ka Ting. MIDDLE Welcoming Remarks by Professor Dato' Dr. Mohd Amin Jalaludin, Vice-Chancellor of University of Malaya. RIGHT Professor Dato' Dr. Mohd Amin Jalaludin presenting a token of appreciation to Tan Sri Ong Ka Ting for officiating the opening of the conference.



LEFT Tan Sri Ong, Dato' Amin, Prof. Danny Wong and Datuk Ter Leong Yap touring the photo exhibition on "Malaysia-China Relations". MIDDLE Professor Danny Wong presenting a token of appreciation to Professor Wang Gungwu. RIGHT Discussion during Panel 6: "Malaysia's Foreign Policy Toward China and the Region".



LEFT Presentation by Professor Yuji Suzuki from Hosei University, Japan.

MIDDLE Presentation by Professor Aileen Baviera from University of Philippines.

RIGHT Tan Sri Koh Tsu Koon raising a question to the panel as a participant.

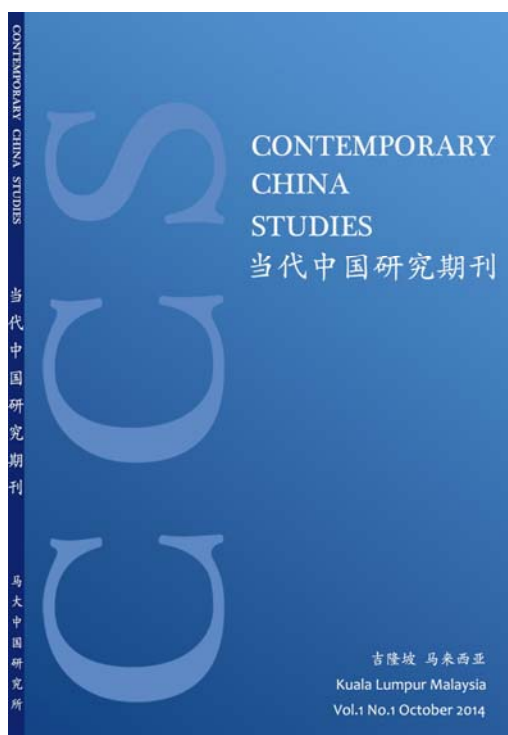




## International Journal of China Studies Vol.5 No.3 December 2014

The new issue of the International Journal of China Studies (Volume 5, Number 3) was published in December 2014. The issue features 7 original articles and 1 policy comment; in addition there are also four book reviews. Among the featured articles are:

- Tabea Bork-Hüffer and Yuan Yuan-lhle, "The Management of Foreigners in China: Changes to the Migration Law and Regulations during the Late Hu-Wen and Early Xi-Li Eras and Their Potential Effects"
- Shipping Hua, "The U.S. Impact on China's Legal System during the Reform Era"
- Liu Yangyue, "The New Type of Great Power Relations between China and U.S.: A Complex Constructivist Perspective" ♦



## CONTEMPORARY CHINA STUDIES

当代中国研究期刊

Vol.1 No.1 October 2014

The Institute of China Studies would like to announce the publication of a new journal: Contemporary China Studies. The new journal is the first Chinese-language journal in Malaysia that focuses exclusively on issues related to contemporary political, economic, social, foreign policy and other aspects of China. The first issue of the journal was published in December 2014. It featured five articles:

- 当代中国特色侨务理论的基本内涵/钟大荣
- 北京流动摊贩及无照营业：在正规与非正规之间的游移 / 陈美萍
- 古典今用：论李永平小说语言、用典与意象书写 / 潘筱蓓
- 传承与适应—  
“大、小传统”语境下中国回族民间教育的反思 / 马海龙、马云鹏
- 中国知识分子和国家关系的特点及演变 / 郑海政 ♦

# Trade between Malaysia and China : A New Economic Calculus

- by Dr Cheong Kee Cheok



Dr Cheong Kee Cheok,  
Senior Research Fellow,  
Faculty of Economic and  
Administration,  
University of Malaya.  
keechek1@yahoo.com

Although economic relations – trade and investment – are driven primarily by market logic, strategic relations can help or hinder these relations. This is clear from the history of Malaysia's economic ties with China. In the years immediately after the establishment of diplomatic relations, Malaysia had a "controlled" relationship with China in that trade took place under restrictive conditions. Imports from China to Malaysia had to go through Pernas<sup>1</sup>, the National Trading Corporation which imposed a 0.5 percent commission on every consignment of goods imported. Subsequently, Malaysian importers had to apply for approved permits (APs) from the Malaysian government before they were allowed to import from China (Lee and Lee, 2005)<sup>2</sup>. This changed after Prime Minister Mahathir Mohamad's visit to China in November 1985. A bilateral trade agreement signed in March 1988 removed all the trade controls mentioned above while in September 1990, all restrictions on Malaysians visiting China were dismantled.

It needs to be noted that with or without restrictions, China's predominantly agrarian economy in the 1970s and early 1980s had little demand for Malaysia's primary commodities while its moribund industries had little to offer Malaysian consumers. Malaysia in the 1970s had likewise come off an import substitution regime (Johns, 1973) and its manufacturing sector was as yet underdeveloped, while its commodity exports had traditionally been destined for Western and Japanese markets.

All these changed with China's economic rise. As the country's industrial output grew, so too did its demand for raw materials, and Malaysia's palm oil became an important Malaysian export to China. At the same time, China was emerging as "factory to the world", with its huge labor pool and growing scale of production driving costs down to levels that no competitor can

match. This pattern of trade – with Malaysia a supplier of raw materials and China of manufactured goods – persists to this day.

Beginning in the 1990s one of the most important trade developments has drawn Malaysia and other ASEAN countries closer to China. This is the advent of production fragmentation that has given rise to production networks driven by the operations of multinational corporations. Production processes are geographically dispersed to take advantage of locational comparative advantage through the extensive use of outsourcing and intra-firm trade (Athukorala and Yamashita, 2006). With its low-cost skilled labor, China has emerged as the starting and termination point for these networks. Parts are made in China, shipped out to Malaysia for further processing, before being returned to China for final assembly (Yamashita and Koh paiboon, 2011). This is clearly seen in the case of Malaysia's trade with China. With a rising middle class, China is also becoming the market where the final products assembled there are sold. The increasing importance of process trade has clearly been helpful in allaying fears of the "China threat".

Table 1 shows the composition of Malaysia-China trade in 2012. Two features are particularly striking. First, the value of Malaysia's top two exported product categories – electrical and electronic equipment and machinery – are more than matched by imports of the same two product categories from China. These numbers speak to the importance of process trade between the two countries –

Table 1: Malaysia's Trade with China – Top Five Products Traded – 2012

Exports		Imports	
Item	Value (US\$ m.)	Value (US\$ m.)	Item
Electrical, electronic equipment	10,079 (35.1)	11,160 (37.5)	Electrical, electronic equipment
Machinery,nuclear reactors,boilers,etc	3,647 (12.7)	5,813 (19.6)	Machinery,nuclear reactors,boilers,etc
Animal,vegetable fats and oils,cleavage products,etc	3,553 (12.4)		
Rubber and articles thereof	2,949 (10.3)		
Mineral fuels,oils,distillation products,etc	2,318 (8.1)		
		1,134 (3.8)	Iron and steel
		808 (2.7)	Optical, photo, technical, medical, etc apparatus
		370 (1.2)	Copper and articles thereof
Total	28,728	29,723	Total

Source: International Trade Center.

<sup>1</sup>Pernas, short for Perbadanan Nasional, was established under the Second Malaysia Plan 1971-1975 to purchase businesses, joint venture with private companies, and develop industries to be held in trust for Bumiputeras until they acquired the means to take them over. Currently under the Ministry of Finance, its role is to develop franchise businesses ([www.pns.com.my/web/guest/about-us2](http://www.pns.com.my/web/guest/about-us2)).

<sup>2</sup>Malaysian delegations to Chinese trade fairs had also to obtain permission from the Ministry of Home Affairs, and had to be led by Pernas or a governmental agency

these two items account for 47.8 percent of Malaysia's exports and 57.1 percent of its imports. Second, the other three top export items, accounting for 30.8 percent of total exports, are essentially primary commodities. The other top three imports from China, accounting for 7.7 percent of total imports, are industrial goods and equipment.

Foreign investment is an important dimension of bilateral economic relations. With burgeoning trade relations, might not one expect equally vibrant foreign direct investment from China? After all, with reserves of US\$4 trillion, the Chinese government has through its "going abroad" (zouchuqu) policy encouraged Chinese companies to undertake outward foreign investment (Buckley et al, 2007). The answer, unfortunately, is – not likely.

Malaysia would welcome FDI from China, but as the situation now stands there is not much Chinese FDI in Malaysia, especially when compared with pre-existing Japanese FDI. This can be seen in Table 2, which lists all major Chinese FDI in Malaysia US\$100 million or larger. It was not until February 2010 that China made a substantial investment in Malaysia. And of the 11 investments, four are in real estate, including the largest at \$1.3 billion.

This low level of investment can be traced to two sources. First, the main aims of Chinese investment are the acquisition of technology, preferably high technology, and raw materials and oil. Malaysia does not offer the former (US and Europe do if they will allow China to invest). And Malaysia does not offer much of the raw materials and minerals that Africa and Australia do. It has oil and gas but they are locked up by Petronas, the national oil company which is 100 percent owned by

the government, and by the western multinationals that have had a long history of operation in and around Malaysia. The second is the absence of outsourcing or offshoring by large Chinese companies that are just embarking on their globalization drive.

### Future Prospects

What does the future hold for Malaysia – China relations? As China is now the second largest economy in the world and is projected to overtake the US economy to become the largest, there is little doubt that economics will be a major force driving these relations. In trade, China has become the elephant in the room, driving the growth of intra-Asian trade while itself trading more with the world outside Asia. The Malaysian economy, like other countries in Southeast Asia, is very much smaller, and hence needs China more than the other way round. Malaysia needs the Chinese market for its palm and its electrical and electronic products. China needs the Malaysian market less, although the latter's resource exports have been helpful to China. Given however, China's strategic interests in maintaining good relations, it will want to ensure that the trade relationship remains a mutually beneficial one.

The future of Chinese investment in Malaysia is much less assured. As already stated, with nothing to offer by way of technology or resources, Chinese investment in these areas will not come. Investments in real estate may, and has begun to, materialize, but such investments are far less productive than investment in production facilities and may contribute to housing bubbles. Not much hope can be attached to Chinese companies going global either. As these companies set up their own production networks, Malaysia, with its imported low-cost labor, cannot compete with those countries like Indonesia and Cambodia on labor cost. Indeed, Vietnam has begun to benefit from China's efforts to wean itself from the cheap labor model. Further, as China upgrades its technological capability, it might even take over segments of the supply chains that are currently the domain of Malaysian companies. If this indeed occurs, the supply chains that tie the economies together may even unravel, impacting trade negatively.




---

What does the future hold for Malaysia – China relations? As China is now the second largest economy in the world and is projected to overtake the US economy to become the largest, there is little doubt that economics will be a major force driving these relations.

---

Table 2. Chinese Investments in Malaysia, 2010 – 2013

Date	Chinese Investor	Investment US\$ mil.	Share Size (%)	Partner/Target	Subsector
Feb. 2010	Chinalco	350	35	GIIG	Aluminum
Apr. 2011	Chinalco	800		Smelter Asia	Aluminum
Nov. 2011	Zhousha Real Estate	790			Property
Dec. 2011	Shougang Group	240	40	HiapTeck Venture Bhd	Steel
Jul. 2012	China South Locomotive	130			Rail
Dec. 2013	Country Garden Holdings	330			Property
Feb. 2013	Guangxi Beibu	650			Metals
Feb. 2013	Guangxi Beibu	400	49	Malaysia-China Kuantan Park	Property
Feb. 2013	Guangxi Beibu	480	40	IUM Corp	Shipping
Jun. 2013	Comtec Solar	380			Alternative energy
Dec. 2013	Guangzhou R&F	1370			Property

Source: Heritage Foundation and American Enterprise Institute (2014).



# Social Cohesion and Provision of Public Services in China

- By Dr Qian Jiwei



Qian Jiwei,  
Research Fellow,  
East Asian Institute,  
National University of  
Singapore .  
eaiqj@nus.edu.sg

In principle, the provision of public services such as education, housing, employment service, social security, social assistance, etc. is important to improve social cohesion, which refers to the degree of social and economic divisions. There are at least two avenues that the provision of public services can improve social cohesion: improving equality and providing social insurance.

First, public services such as healthcare and education services redistribute human capital, which implies that the divisions between the rich and poor, the urban and rural, etc. will be reduced. Second, public services such as social security and unemployment insurance are provided to protect all citizens from external shocks. In this sense, social services function as the social insurance to protect people from bad luck (e.g. illness, unemployment) and expected need (e.g. old age).

Therefore, if there is a disparity in accessing public services for people in different social and economic status, lack of social cohesion will be a concern. In China, there have been several major social cleavages in terms of unequal access to public services since the last three decades of economic reforms, which include the division between the rich and poor, the residents in urban and rural areas, employees in the formal and informal sectors, and the residents in different regions of China.

The first aspect of the unequal access to public services is income disparity. Between 1984 and 2012, the income Gini coefficient increased from 0.277 to 0.474. User fees are associated with many public services and many people with lower income may have difficulties to access public services. For example, for junior secondary school education, a student in the rural areas was charged over RMB102 on average for miscellaneous fees in 1999, which accounted for about one-sixth of rural poverty line in that year.

Second, the division between formal and informal sector is also critical. There are several institutional reasons restricting people in the informal sector from getting access to public services. Many social programs are fragmented and managed depending on whether enrollees work in formal or informal sector. Depending on their work status, people are allocated into different plans and these plans offer public

services with very different coverage.

The other important social cleavage for accessing public services is the division for people residing in different regions. Given the current intergovernmental fiscal system, many public services including health, education and public housing are managed and provided by local governments and the quantity and quality of these services depend on local fiscal capacity. Local household registration (i.e. hukou) is necessary to access many of these public services.

Fourth, inequalities in public service access between rural and urban residents are outstanding and observable in many policy arenas. Pension schemes for urban residents and urban retirees from the formal sector also differ greatly. For example, in the province of Guangdong, the highest level of pension an urban resident can receive was RMB686 in 2012 while an average retiree from the formal sector received over RMB2,600 per month.

## Policy Initiatives to Equalize Accessibility to Public Services

The Chinese government has made efforts in a series of government initiatives to address inequalities in accessing public services following the Sixth Plenum of the 16th National Congress of the Chinese Communist Party in 2006. The most recent government initiative is the plan for the "new type" of urbanization released in March 2014.

In general, the Chinese government has used four sets of policies to address the issue of accessibility to public services. First, there has been dramatic expansion of social programs to people who previously were having financial and institutional constraints to access public services, in particular, rural residents.

Second, more government budget has been allocated to finance public services provision in economically backward areas, including western and central regions. With more government expenditure, the level of user fees is expected to reduce. Since 2006, government expenditure, particularly from the central government, on public services such as education and health services has increased.

Third, the Chinese government has started reforming intergovernmental fiscal structure to improve the local governments' capacity by increasing fiscal equalization transfers to local governments since 2000s.

Fourth, in the recent government plan for the

The Chinese government has made efforts in a series of government initiatives to address inequalities in accessing public services following the Sixth Plenum of the 16th National Congress of the Chinese Communist Party in 2006.

“new type” of urbanization, the household registration system(hukou)is going to be deregulated in the near future. By 2020, 100 million rural migrants working the cities while holding agriculture hukou will be granted urban “hukou”. Public services including public housing, healthcare, education and social insurances will also be made accessible to these rural migrants.

### **“Achievements of Equalization of Basic Public Services”**

With these government initiatives, the general trend of unequal public service access has been decreasing since the mid-2000s. The income Gini coefficient nationwide has slightly decreased from 0.491 in 2008 to 0.473 in 2013, which is the lowest in the past 10 years and implies that equalization function of public service provision does have some effect.

Regional inequality for public service access is decreasing as well. For example, regional gaps (i.e. ratio) for government expenditure per student in secondary schools between eastern and central regions had decreased from 2.3 in 2004 to less than 1.73 in 2012. For primary school education, the ratio for education expenditure per student between eastern and western regions was reduced from about 1.96 in 2004 to 1.39 in 2012.

Regional inequality in healthcare has also been decreasing, especially for the inequality in physical infrastructure. The ratio of the number of beds per 1,000 people among different regions has also decreased since the middle of the 2000s. Regarding to the division between rural and urban areas, the trend is similar. For example, the ratio of urban and rural minimum livelihood standard (at the national average) has been narrowing from 2.6 in 2007 to 2 in 2013.

In terms of social insurance, social health insurance covered more than 95% of total population in China by the end of 2012. The number of enrollees in the basic pension scheme as a share of total employees in urban areas increased from about 44% in 2002 to over 60% in 2012. Unemployment insurance covered more than 20% of in total labour force in 2012 compared to 14% in 2003. Rural migrant workers are eligible for social insurance programs and an increasing number of rural migrants have enrolled with various social insurances. In a survey conducted by China Statistical Bureau, the enrolment rates of rural migrant workers in all social insurance programs have been increasing since 2008. Over 14% and 16% of rural migrant workers joined basic pension scheme and urban employee health insurance

in 2012 compared to 9.8% and 13% in 2008.

### **Remaining Issues**

Although many progresses have been made in reducing the inequality in public services access, given the current major social cleavages, institutional reforms on the intergovernmental fiscal system and household registration system will be put into the top of the policy agenda. Apart from these planned reforms on the fiscal system and the hukou system, there are some remaining important issues to be addressed in the future in order to equalize accessing basic public services.

First, the information and incentive structure of local governments have to be taken into account when reforming the fiscal system. Incentives of local officials are subject to a performance evaluation system set by the upper level government. To give local officials incentives to provide public services, performance evaluation systems for local officials have to include more complicated, multi-dimensional standards like uplifting quality of public services.

Second, the budget making and management system should be reformed. The central government has increased fiscal equalization transfers to local government as they are one of the institutional foundations for equalizing public services and strengthening the fiscal capacity of local governments. However, as the budget management system does not work well on the accountability aspect, it is difficult for upper level government to oversee the use of fiscal equalization. The budget system will have to be carefully designed.

Third, fragmented social programs not only hinder equal access, they also incur efficiency losses (i.e. lack of economies of scale for service provision as well as lack of risk sharing in terms of social insurance). Although some local experiments have been done to integrate different social programs, fundamental reforms are still necessary for integrating social programs targeting people with different residential status, occupation, etc.

Fourth, while the government has invested intensively in many social programs, it is imperative now to have program evaluations for those social policies, which could be very helpful to target the government inputs more efficiently and evaluate the performance of social programs in meeting the objectives. In this case, promoting collaborations with organizations which have extensive experiences of program evaluation such as the World Bank and Asia Development Bank can be an option. ♦

---

The income Gini coefficient nationwide has slightly decreased from 0.491 in 2008 to 0.473 in 2013, which is the lowest in the past 10 years and implies that equalization function of public service provision does have some effect.

---



Parents and grandparents take their children to the No. 1 People's Hospital in Yangzhou, Jiangsu province, for treatment on Monday. (source: Courtesy of Xinhuanet).



## Trustworthy Friends and Partners: Bilateral Relationship between China and Malaysia

This seminar was part of the Ambassador Lecture Series of the Asia-Europe Institute of the University of Malaya and the Institute of



H.E. Ambassador Dr. Huang Huikang,  
Ambassador of China to Malaysia

China Studies was invited to be the joint organizer. Ambassador Huang expressed his confidence in the special relationship and friendship between China and Malaysia in his talk. He mentioned several common challenges both countries faced, such as the unfortunate MH370 incident, and how such working together to overcome such challenges bonded both nations further. Ambassador Huang also believed that both countries can peacefully manage and resolve the



South China Sea issue. He also on this occasion stated his opposition to the signing of a free trade agreement between Malaysia and Taiwan. ♦

## The Influence of Confucian Aesthetics on the Traditional Chinese Theories of Painting as Informed by 'Yi Zhuan' and 'Analects'



Prof. Huang-Chieh Yu,  
Professor of Philosophy,  
Fu Jen Catholic University,  
Taiwan.

Professor Yu's presentation was based on the idea that Confucian ethics has had an enormous impact on the creation and appreciation of art. Confucian ethics not only shaped Confucian aesthetics but also influenced the subsequent aesthetics of painting. To prove this, he considered the aesthetic meaning of two propositions each from two important Confucian texts, "Yi Zhuan" and "Analects." These are the abstraction of form from the

observation of nature, being sincere in what one says, the comparison, and the reliance, on benevolence. Then, Professor Yu established the relationship between morality and art according to the literature on the theories of painting by four painters from the periods following the Wei-Jin Dynasties: Zong Bing, Zhang Yen-yuan, GuoRuo-xu and Guo Xi. From this study, he believed that the connection is confirmed between the character of the painter and the character of the painting in ancient Chinese paintings and theories. ♦

## Challenging Big Power in Unsymmetrical Relationship: Insights from the Peace Efficacy of the Taiwan Public

In this seminar, Professor Shih attempts to answer the question "why would a weaker party confront its stronger counterpart in an asymmetric relationship"? Both balancing and bandwagoning rely on the calculation of power and as such, these fail to explain the unilateral confrontational approach taken by the weak party in an asymmetric relationship. Hedging is an alternative to balance of power because it allows the integration of balancing and bandwagoning based upon a longer-term assessment.



Prof. Shih Chih-Yu,  
Professor of Political Science,  
National Taiwan University,  
Taiwan.

However, the rationale for the hedging strategy is not compatible with the confrontational approach occasionally practiced by Vietnam, Myanmar, and North Korea, to address issues with China. This is discussed through the perspective of international relations theory of Balance of Relationship and illustrated by a case study of Taiwan which investigated whether or not the respondents are confident that peace with China can be maintained under various conditions instead of requiring them to answer questions derived from hypothetical cases of confrontation. The questions focused on whether or not respondents think they can attain peace or effectively maintain peace by adopting a confrontational policy or electing a party inclined to a confrontational policy. Their answers served as proxies for confrontational behavior in general. ♦

## Conceptual Context, Cultural-Concern and Comparative Perspective: Reviewing the Studies of Overseas Chinese

Professor Wu concentrated in this talk on the conceptual ways to look at the study of Overseas Chinese within a historical context. He also discussed the concerns in this field of inquiry and argued for the use of a comparative perspective to provide a preliminary reorganization of and relook into the research on Overseas Chinese. According to his analysis, the marginality of the culture of the Overseas Chinese outside of China can be attributed to their status in their residing countries, and as China becomes more powerful and influential, the culture of the Overseas Chinese can also be expected to benefit from it and make a revival. ♦



Prof. Wu Xiaolan  
Department of History,  
Peking University,  
China.



### China's Policy Toward 'Malaysia' During 1961-66

This seminar was jointly organized by the Institute of China Studies and the Malaysian Chinese Research Centre of the University of Malaya. Dr Han shared with the audience his research regarding Malaysia-China relations before the establishment of diplomatic relations in the 1970s. In his research, he found that communist China has had changing attitudes toward the formation of Malaysia out of Malaya. China attitude had moved from hostility to indifference to acceptance. For a long period of time before the 1970s, China considered the formation of Malaysia to be a design of the imperialist powers. The general radicalization of Chinese domestic politics and foreign policy since the 1960s also made China see itself as the champion of the revolutionary masses in the developing world and the center of the worldwide revolutionary movement. The Malaysia project was then perceived by the revolutionary China as a move to suppress the revolutionary movements in the Southeast Asia and basically served the interests of the imperialist powers. China was supportive of Indonesia's Confrontation policy towards Malaysia as well. China's attitude gradually changed after the formation of ASEAN, when Malaysia was seen to be evolving toward a more independent stance. ♦



Dr Han Changqing,  
Cold War Research Centre,  
East China Normal University,  
China.

### The Cultural Heritage of Contemporary China and Overseas Chinese Community

Dr Zhong examines the cultural link between China and the overseas Chinese community. In the era of globalization, information economy, democratization in the 21st century, how to understand the cultural heritage of the overseas Chinese community from the perspective of China, what role does China play in cultural heritage of the overseas Chinese community, the evolution of this cultural heritage, and the changes of China's overseas Chinese policy were important questions to be dealt with in this seminar. ♦



Dr Zhong Darong,  
Institute of Overseas Chinese  
Studies, Huaqiao University,  
China.

### China's Periphery Diplomacy under Xi Jinping

In this seminar that was jointly organized by the Institute of China Studies of the University of Malaya and the School of Politics, History and Strategy of the Universiti Kebangsaan Malaysia, Professor Wang shared with the audience his observation on the trends and challenges facing the Chinese leadership regarding the diplomacy toward China's peripheral countries. Wang pointed out that several new features or concepts emerge under Xi in regards to periphery diplomacy. First is "top-level design," which manifested in a rare 2013 conference on China's periphery diplomacy attended by all top leaders and senior diplomats and chaired by Xi. Second is "cross time and cross space," which indicates a more open and multidimensional form of diplomacy. Third is a conscious combination of "carrots and sticks." Wang argued that in coming years China will present a softer side of its diplomacy through the "qinchengguirong" (amity, sincerity, mutual benefit and inclusiveness) formula, yet at the same time will be more forceful in asserting its interests. Fourth is China's increasing engagement beyond the government-to-government level. Fifth is "selective engagement," in which China will likely cultivate certain selected friendly countries. Sixth is that economics will still be in command and will likely be the main leverage that China can exercise. ♦



Prof. Wang Jianwei,  
Professor and  
Head of Department of  
Government and Public  
Administration,  
University of Macau

### Introduction to Present Situation of Provincial Archives on Relations Between China and Southeast Asian Countries

This seminar was organized by the Institute of China Studies and the Malaysian Chinese Research Centre of the University of Malaya. Professor Chen Bo provided a useful overview of China's provincial archives and the extensive historical materials contained in them. Due to the sensitivity, Chinese archives are always not easy to access, and in recent years the relatively openness of the archives has become increasingly restrictive and the challenges of accessing archives have been much greater. However, the Cold War Research Centre now houses significant archival materials that could be used for the benefit of the scholarly community. ♦



Dr Chen Bo,  
Cold War Research Centre,  
East China Normal University,  
China.

## Visit to Residence of China Ambassador



On 24 September 2014, the Director of the Institute of China Studies Professor Dr Danny Wong and his Deputy Dr. Ngeow Chow Bing were invited by the Chinese Ambassador Dr. Huang Huikang for a private dinner at the residence of His Excellency. Others included academics from the Universiti Tunku Abdul Rahman and the Institute of Strategic and International Studies. The Ambassador shared with his guests in insight in Chinese diplomacy, the life of diplomats, and Malaysia-China relations. ♦



## Visit by Delegation of China Public Diplomacy Association to Institute of China Studies, UM



H.E. Ambassador Mr Ma Zhengang,  
Vice President of the Association of Public  
Diplomacy of China delivering his speech  
during the visit

On 14 October 2014, Mr. Ma Zhengang, China's former Ambassador to the United Kingdom, and currently Vice President of the Association of Public Diplomacy of China, led a delegation to visit the Institute of China Studies at the University of Malaya. Members of Mr. Ma's delegation include scholars from Tsinghua University and China Foreign Affairs University, as well as officials from China's Ministry of Foreign Affairs. In the meeting, ICS's staff exchanged opinions with the delegation and discussed possibilities of academic collaboration and cooperation. ♦



## 40<sup>th</sup> Anniversary Dinner



On 18 December 2014, Dr. Ngeow Chow Bing attended the “Jasamu Dikenang~Celebrating the 40th Anniversary of Diplomatic Relations between the People’s Republic of China and Malaysia” dinner organized by the Embassy of the People’s Republic of China in Malaysia in Shangri-la Hotel, Kuala Lumpur. The dinner was to celebrate the conclusion of a series of events that highlight the forty anniversary of the establishment of diplomatic ties between Malaysia and China. ♦

## PERSONNEL

### Congratulations



**Dr Ngeow Chow Bing (Deputy Director, Institute of China Studies)**

On 1st January 2015, Dr Ngeow has been appointed as the Deputy Director of Institute of China Studies.

### New Members



**Dr Ahmad Murad bin Abdul Halim**  
Senior Lecturer

**Professor Lowell Dittmer**  
Visiting Professor (Academic Icon)  
[University of California, Berkeley]



**Professor Datuk Dr Woo Wing Thye**  
Associate Member  
[University of California, Davis]


**Associate Professor Dr Lai Yew Meng**  
Associate Member  
[Universiti Malaysia Sabah]



**Associate Professor Dr He Yanqing**  
Associate Member  
[The Party History Research Center of the CPC Central Committee, Beijing]

## ICS Public Lecture Series III


### “China’s Rise, America’s Dilemma” by Professor Lowell Dittmer



**UNIVERSITY OF MALAYA**  
INSTITUTE OF CHINA STUDIES  
马来亚大学中国研究所

**ICS PUBLIC LECTURE  
SERIES III**

# CHINA’S RISE, AMERICA’S DILEMMA



ACADEMIC ICON, INSTITUTE OF CHINA STUDIES, UM  
PROFESSOR, DEPARTMENT OF POLITICAL SCIENCE,  
UNIVERSITY OF CALIFORNIA, BERKELEY

**26th of March, 2015 (Thursday)**  
**2.30 p.m.**  
**Auditorium, High Impact Research (HIR) Building,**  
**University of Malaya (3° 07'19.4"N, 101° 39'20.6"E)**

Any inquiry please call 03-7956 5663  
All are welcome

#### About the Speaker:

Professor Dittmer received his Ph.D. from The University of Chicago in 1971. His scholarly expertise is the study of contemporary China. He teaches courses on contemporary China, Northeast Asia, and the Pacific Rim. His current research interests include a study of the impact of reform on Chinese Communist authority, a survey of patterns of informal politics in East Asia, and a project on the China-Taiwan-US triangle in the context of East Asian regional politics. Professor Dittmer's recently published books and monographs include *Sino-Soviet Normalization and Its International Implications* (University of Washington Press, 1992), *China's Quest for National Identity* (with Samuel Kim, Cornell University Press, 1993), *China Under Modernization* (Westview Press, 1994), and *South Asia's Nuclear Crisis* (M. E. Sharpe, 2005).

Professor Dittmer is a Professor in the Department of Political Science, University of California (Berkeley). He is also the Editor of *Asian Survey*, a widely respected journal on contemporary political developments in Asia. He is now in the Institute of China Studies, University of Malaya as an Academic Icon for the first half of 2015.

#### About the Public Lecture:

The rise of the People's Republic of China, dramatically accelerated since Deng Xiaoping introduced "reform and opening" in late 1978, has been one of the most successful modernization programs in the world. In 1978, China was one of the poorest countries on earth. The real per capita GDP in China was only one-fortieth of the U.S. level and one-tenth the Brazilian level. Since 2014, according to the IMF figures using PPP measures, China has the largest aggregate economy in the world. Since the historic visit to China by President Richard Nixon in 1972, the United States has taken a supportive view

of China's rise, at first for strategic reasons, later based on a mixture of trade complementarity and shared interests. But since around 2008, China-America relations have cooled. Why is this happening? What does Beijing want, what does Washington want, where are the points of friction, and how might they be reconciled? ♦



**INSTITUTE OF CHINA STUDIES**

马来亚大学中国研究所

For general inquiries, please contact:

**Institute of China Studies**  
**5th Floor, Za'ba Memorial Library**  
**University of Malaya**  
**50603 Kuala Lumpur**  
**Tel: 03-7956 5663**  
**Fax: 03-7956 5114**  
**Email: chinastudies@um.edu.my**  
**icsumal@gmail.com**  
**Website: http://ics.um.edu.my**



**International Journal of China Studies**

Manuscripts sent to < [ijchinastudies@gmail.com](mailto:ijchinastudies@gmail.com) >

NGEOW Chow Bing,  
Editor-in-Chief,  
International Journal of China Studies,  
Institute of China Studies,  
University of Malaya, Kuala Lumpur.