

OLD ORDER AND NEW NORMAL

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Preface

2015 was a year of both unrest and stability. New instances of unrest occurred, yet progress in areas of stability also took place.

Terrorism, civil wars and geopolitics are the main inducers of today's various instances of turmoil. The two terrorist attacks in Paris, the Russian passenger plane that was bombed in a terrorist attack, Boko Haram in Africa killing and massacring innocent people, the massive wave of immigrants fleeing from the Middle East to Europe, Russia deploying troops in Syria, the U.S. and EU increasing sanctions on Russia, and the U.S. getting involved in the South China Sea issue, etc., have all made people feel like the world is becoming more chaotic, less safe, and that the constructs of stability and order are slowly being eroded away.

However, 2015 was not short for bright spots either. The 12 year long Iran nuclear negotiations finally reached an agreement, the United Nations Climate Change Conference in Paris successfully wrapped up negotiations with the Paris Agreement, China's proposition of the Asian Infrastructure Investment Bank (AIIB) made rapid progress, and relations between the world's major powers witnessed significant strides forward. This reflects the international community's commitment to working to solve key regional issues, push forward global governance, and expand mutually beneficial cooperation. Peace, progress and cooperation continue to spread.

Without a doubt, the older order is being broken, and the factors challenging the old order contain both positive and negative elements, good and evil. The effect subsequently produced thus has both positive and negative aspects, as well as constructive and destructive ones too. The rise of new actors, the shifting in the balance of power, the transformation in order, system reconstruction and reordering of international norms, are all using both familiar and unfamiliar methods to reshape international politics; this is the new normal we currently see. This new normal is not just something that we have to adjust to, but more importantly, learn how to master.

2015 was another year of China pushing forward its major-power diplomacy with Chinese characteristics, reflecting China's status as a major player on international arena. Proposing AIIB, President Xi Jinping attending the UN's 70th anniversary, and assisting in the successful conclusion of the UN Climate Change Conference in Paris, are all matters that embodied the duties and responsibilities of a new power in the 21st century. In a world where there is an increasing lack of impetus, more unrest and leadership in short supply, China faces a unique opportunity where much of the world is looking towards. Whether or not China will be able to fully take advantage of such an opportunity is only determined by our efforts.

The older order is fading and the new normal has quietly arrived. We look forward to 2016 with both confidence and anticipation.

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1. Global Politics: The Jockeying of Power Between The Old Order and New Geopolitics

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The geopolitical games between the world's major countries is rapidly heating up, reflecting the "old order" of hegemonies, rejuvenated or rising powers and the trestle with "new powers" that is becoming more and more acute. In the wake of the ongoing crisis in Ukraine, the rapid deteriorating situation in the Middle East, and the increasingly intense situation in the South China Sea, China, the U.S. and Russia are faced with traditional geopolitical games reminiscence of the past, and thus occupying a prominent position on the international stage.

Geopolitical Games Heating Up between Major powers

First and foremost, Russia opened up the second battlefield front between the U.S. and Russia by entering the Syrian conflict. Having restrained itself for years while watching the conflict in Syria worsen, Russia finally decided to employ force, and assist their most resolute ally in the Middle East Region, President Bashar al-Assad. Russia's goal aims to stabilize the internal situation and launch attacks against opposition forces and armed extremists, while at the same, protecting their strategic foothold in the region, as well as their only estuary in the Mediterranean Sea.

On September 30, Russia officially began its aerial campaign against extremist groups within Syria's borders. In just a little over three months, the Russian Air Force carried out thousands of aerial bomb campaigns against the Islamic State of Iraq and the Levant (ISIL). At the same time, Russia and the Syrian army ground forces along with their respective air forces, began working together through a large scale counteroffensive campaign, delivering a significant blow ISIL's presence in the region.

While the U.S. and Europe were caught off guard, Russia relentlessly attacked the Middle East problem head-on and delivered a beautiful volley. Shortly after their

aerial bombing campaigns, Russia quickly moved to establish an anti-terror intelligence network center with Iraq, Iran and Syria in Baghdad, Iraq. In essence, Russia constructed a regional Russian-led anti-terror coalition that expanded efforts to combat ISIL and the threat of extremist groups in the region.

On November 20, Assad made a surprise state visit to Russia and sat down with Putin, which led to a breakthrough in the West's diplomatic seal off on Assad. During their meeting, Putin expressed Russia's continued commitment to assisting Assad militarily and politically and striking down terrorism in Syria.

Three days later, Putin made a state visit to Iran after an eight-year hiatus, announcing that Russia would uplift the ban on supplying equipment for enriched uranium to Iran, and also promised to deliver new anti-aircraft S-300 models.

Russia's return to Middle Eastern regional political and strategic games, and the aggressive method by which they did it, have caught the attention of many people. This new advancement caused Syria and to a greater extent, the entire Middle East's geopolitical situation to suddenly change overnight, thus, opening up a "second battlefield" in the regional conflict with the U.S.

In order to deal with Russia's strategy in Syria, the U.S. had no choice but to adjust their policy. On November 30, the U.S. announced that it will give 100 million dollars to opposition forces in Syria. The following day, Obama authorized the deployment of no less than 50 special forces personnel to northern Syria to help coordinate and train local opposition forces in combating ISIL.

This was the U.S.' first time deploying troops to the Syrian battlefield, but more importantly in regard to Russian troops fighting in the Syrian conflict, the U.S., no matter how displeased by Russia's presence, can only accept it as an unfettering fact.

On November 20, defense departments of both Russia and the U.S. finalized a memorandum of understanding in regard to safety over Syrian airspace. The content of this memorandum touched upon the two country's air forces maintaining safe distances in airspace, radio frequency communications and operational guidelines, which significantly decreases the risk of misinterpretation and potential conflict.

On November 3, the U.S. and Russia both sent fighter planes into Syria to conduct joint drills and perform simulations to better understand how each should take the appropriate response measures as to avoid any miscalculations.

Later, on November 18, President Obama formally stated Russia as a constructive partner in the Syrian conflict negotiations, and subsequently announced that the U.S. will work hard to find a suitable path forward for both Russia and the U.S. in deescalating the Syrian conflict. As a result of the U.S. and Russia taking initial steps in mutual strategic cooperation, it thus opened the doors for a political resolution to the situation.

Secondly, the issue of Ukraine, which has enveloped the two countries since the problem first erupted. As news of Russia initiating its aerial bombing campaign in Syria became a global focal point, the Ukrainian conflict, and the games played as a result in the region, have continued to surround the U.S. and Europe.

In February of 2015, Russia, Ukraine, France and Germany met in Minsk, Belarus, where the four countries agreed to a ceasefire starting February 15. Even though the situation has improved slightly, the eastern region in Ukraine today still remains in upheaval. Armed forces and government forces are still clashing.

Future prospects in the region remain dim and unmeasurable. First, Russian-Ukraine relations remain tense. For example, Ukraine continues to condemn Russia for propping up armed forces in the eastern region of Ukraine and in November, Ukraine officially announced sanctions against more than 20 Russian aviation operation

companies. Soon after, Russia also imposed similar “no-fly” sanctions against Ukraine aviation entities. On November 25, Russia and Ukraine officially broke off direct flights to each other’s countries.

Second is the issue of the U.S. and Europe’s continuing their sanctions against Russia. From the moment when Crimea was annexed by Russia, Moscow-U.S.-European relations entered a new low point not seen since the Cold War. To punish Russia, during the G20 Summit on November 20, the U.S. led the decision to extend economic sanctions on Russia for another six months until July 2016, suggesting that alleviation in U.S.-Europe-Russia relations will remain allusive for the short-term.

More importantly, Russia, the U.S. and NATO have been keen to flexing their muscles. With threats and intimidation on the rise, the smell of gunpowder in the air is become more and more thick. In August 2015, the U.S. initiated the largest coalition aerial exercise on European soil since the Cold War.

On October 3, with the Ukraine crisis as a backdrop, NATO carried out the largest military exercise since 2002, officially dubbed “Rapid Trident”. Then on October 28, NATO announced that it will station 4,000 officers in Poland and six other countries to combat the threat stemming from Russia.

However, Russia did not take these events lying face down. On October 30, Russia performed several guided missile test launches, displaying Russia’s strong and comprehensive nuclear capabilities. On the same day, two Russian Tupolev Tu-142 anti-submarine warfare aircrafts flew low altitude and came within one nautical mile of the U.S. nuclear powered aircraft carrier USS *Ronald Reagan*, prompting the U.S. to dispatch four F/A-18 Super Hornets to intercept and escort the two Russian aircrafts. The Old Cold War cat-and-mouse games between Russia and the U.S. that were so frequent in the past seem to be retaking center stage again.

Thirdly, China-U.S. tensions on maritime rights are sharply rising. The South China Sea issue that has encompassed the U.S. and China for quite some time, has entered a new stage in games, causing the tense situation to reach a crescendo. As a result of China's increasing building of land and active dredging activities in the South China Sea, the U.S. has repeatedly instigated provoking actions in response.

In July, the new U.S. commander of the Pacific Fleet, Adm. Scott Swift, joined a seven-hour surveillance flight over the South China Sea on a P-8A Poseidon spy plane.

On October 27, the guided-missile destroyer USS *Lassen* that uses the Aegis defense system, sailed under the banner of "freedom of navigation", and came within 12 nautical miles of Subi Reef and Mischief Reef. This action led two Chinese naval ships to shadow and issue warnings to the USS *Lassen*. As a result of U.S. naval vessels publicly stating their intentions to patrol the reefs in the South China Sea, the U.S. has gone from backstage to front stage in opposing China. Thus, it sets up a prelude to more direct games between the two major powers in the South China Sea.

In regard to the U.S. military threatening China's sovereignty and national security interests, as well as endangering the facilities and lives of Chinese nationals working on the reefs, China made clear of its intentions by warning the U.S. China stated that if the U.S. continues to dangerously provoke the situation in the South China Sea with certain actions, the possibility of serious situation erupting as a result is highly likely and may even perhaps spark an unexpected conflict.

However, the U.S. remains unwilling to start anew. On November 2, the Pentagon announced that U.S. forces will for every season conduct two navy vessel patrols within 12 nautical miles of islands and reefs in the South China Sea. This reflects the normalization and systemization of the U.S. military's provocative actions.

On November 5, U.S. Secretary of Defense, Ashton Carter, went aboard the nuclear-powered aircraft carrier, the USS *Roosevelt*, which was operating in the South China Sea at the time. Aboard the ship, Secretary Carter condemned China for “attempting to disrupt the stability and balance of power in the region”.

Three days later on November 8, two U.S. B-52 long-range bombers began conducting a patrol mission in the South China Sea, and subsequently flew within the airspace of China’s reef construction activities. Then on December 10, two U.S. B-52 long-range bombers “mistakenly entered” within two nautical miles of the Cuarteron Reef’s airspace in the South China Sea.

The abovementioned provocative actions of the U.S. reflect its willingness to challenge China’s sovereign rights to the South China Sea. As a result, the U.S. has severely hindered an already flimsy strategic trust between the two major powers, but also places regional security on a new level of tension.

The Growing Influence and Spread of Terrorism

While geopolitical tension between the major countries continues to intensify, the expanding brand of savage terrorism being led by ISIL, has also come front and center on the international political stage. Benefiting from the ongoing chaotic situation in the Middle East, along with the tacit consent of some Western and Middle Eastern countries, ISIL, this “monster” rapidly grew and became more powerful.

At this point in time, ISIL controls a large swath of area and possesses astonishing amount finance and taxation-based revenue, a steady source capital, and countless number of military personnel. Their own style of administration and bodies of law resemble that of a “country”.

With a combination of capital assistance and perversion of radical ideology, the ISIL-led brand of terrorism has continuously carried out terrorist attacks in Asia, Europe and the U.S. In March, ISIL carried out four suicide bomb attacks at a mosque

in Yemen. In July, one follower loyal to ISIL, executed a suicide bomb attack in Turkey, and later in Turkey's capital of Ankara in October, another suicide bomb attack took place.

On October 31, a Russian passenger plane that was flying near the Sinai Peninsula suffered a terrorist attack that left all 224 passengers and personnel aboard dead. Then on November 13 in Paris, three groups of ISIL members carried out separate attacks, killing more than 130 people in all.

On December 2, a married couple that pledged allegiance to ISIL shot and killed 14 people and left 17 wounded in San Bernardino, California. In the face of an ever increasing serious and rampant form of terrorism, the U.S. Russia, the U.K. and Germany, as well as other countries have implemented serious measures and deployed forces, "forming an unprecedented amount of force" directed at ISIL.

On December 15, Saudi Arabia announced the formation of a 35-state counterterrorism coalition to fight against terrorist organizations and radicalism in Iraq, Syria, Libya, Egypt and Afghanistan, hoping to root out this maligned tumor that is a threat to the world.

Breakthroughs in Climate Change Global Governance

While the major countries were protecting their traditional security interests, and creating a volatile situation, on November 30, heads of states and government delegates from 195 countries gathered in Paris to attend the 21st UN Climate Change Conference. After two weeks of intense negotiations and back-and-forth bargaining, on the night of December 12, under the United Nations Framework Convention on Climate Change, 200 signatories passed the Paris Agreement. The treaty includes 29 clauses that touch upon various stages and aspects, such as goals, the slowdown process, adjustments, potential loss and damage, funding, technology, capacity ability, transparency and global inventory.

The Paris Agreement requires signatories to enhance their response to the threat of global climate change, to set a goal of limiting global warming within to within 2 degrees Celsius of pre-industrial levels, and limit temperature increase to 1.5 degrees Celsius. The world is rapidly reaching a peak in greenhouse gas emissions, so the main goal and focus is on reaching a net-zero emission of greenhouse gases in the second half of this century. This is essentially the promise accepted by every country in limiting greenhouse gases.

The treaty also delineates common, but different responsibilities, individual capabilities and fair principles, as well restrictions on laws. In comparison to the 1997 Kyoto Protocol that was also passed, but not effectively implemented in limiting emissions, as well as the more recent 2009 Copenhagen Climate Conference that concluded on bad terms, the signing of the Paris Agreement is the international community's most effective treaty in eliminating the threat of global climate change, and executing practical global administration to date. The Paris Agreement clearly demonstrates that multilateral negotiating and international cooperation is still the most efficient way in dealing with global threats and challenges.

Looking forward to 2016, on account of the struggle between traditional geopolitical interests, it's safe to say that logically speaking, this will continue to be the main trend among the world's superpowers. In light of the Ukraine conflict that involves Russia's uncompromising regional core and strategic interests, as well as the growing tension between Russia, the U.S. and Europe, this "Cold War" situation will likely continue to expand in scope.

Yet as Syria acts as the main bridgehead for Russia in the Middle Eastern conflict to sustain its traditional influence, it cannot easily compromise on the matter.

Similar to this issue is the South China Sea Island and reef disputes, which not only touches upon China's sovereignty rights, but also concerns China's ever-important maritime security and geopolitical interests. The U.S., striving to sustain its hegemony

over the seas will use military, political and diplomatic methods, as well using the guise of “freedom of navigation” to continue inhibiting China. The South China Sea games will inevitably stay around for the long haul and the possibility of it getting worse is ever prominent.

While the U.S. sees its overall power declining in the world, opening up conflicts in Europe and Asia with two global powers is certainly not a strategically wise choice, and might lead to further provocation and obstacles.

At the same time, the international community and its fight against the head of Islamic extremism, ISIL, still have a long way to go. Success will largely be determined by whether Russia, the U.S. and Middle Eastern countries can overcome narrow interests, and launch effective and concrete cooperation. But it seems to prove to be a difficult task in the short term future. Turkey shooting down a Russian fighter plane, and the tension that arose between the two countries as a result, is an apt illustration of the point. The potential effect of this dispute may perhaps lead to the situation in the Middle East to once again radically change.

In light of the successful conclusion of the United Nations Climate Change Conference in Paris, which stated that while the world confronts nontraditional security challenges and other aspects, it should and can make a concerted effort to cooperate and thus a lot can be achieved. However, this “ray of hope” is seemingly too faint.

2. World Economy: Finding An Impetus with Bite in The New Normal

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It's been several years since the 2008 financial crisis, the world's economy has yet to achieve a genuine resurgence. The 2015 world economy was no exception. Not only did it not surpass universal expectations, it also failed to reach 2014's level of growth. The world's economy has already entered a new normal of besetting, slow growth. Thus, a new driving force needs to be excavated in order to push forward the global economy onto another level.

The New Normal

The world's economy was anticipated to grow 3.1 percent in 2015. It's going to be rather difficult to achieve formidable growth of higher than 4 percent in the near future. However, the chance of another global financial crisis occurring is also nonexistent. This is the new normal of the world economy we are now seeing; mediocre growth and minimal risk. Besides slow growth being a major attribute of this new normal, other aspects also include the following.

First, economic contributions made by emerging economies declined, but their proportion in the world economy still increased. Emerging economies saw relaxed economic growth overall. By country and region, Asia and the Middle East had a slight fall, while the Common Wealth members, and Latin America had a notable slide.

A prominent example lies in two emerging economies, Russia and Brazil. Owing to the fall of commodity prices, and domestic institution reforms failing to materialize, a significant withering of their respective economies occurred, and growth rate overall ended in the negatives in 2015. Their declining growth rate also affected their ability to contribute to world economic growth.

China, as a rising economic powerhouse, saw its contribution to the world economy decline around 30 percent in 2015, lower than the previous year. Although rising economies overall suffered more than previous years, their economic growth rate still doubled that of developed countries. Additionally, their overall GDP surpassed developed countries, and in regard to proportion in the economy, still took a step forward.

The second aspect is that developed economies are slowly coming out of a crisis, with their economies showing moderate increases. In comparison to slower growth in emerging and developing economies, developed economies saw limited economic growth in 2015. Europe and Japan witnessed their respective economies strengthen overall. They were the main beneficiary behind incredibly quantitative easing (QE) monetary policies, and devaluation of exchange rate policies.

The U.S. economy in 2015 however was unable to accomplish overall strong growth. Nonetheless, the unemployment rate still declined, reaching the lowest level since the financial crisis. Consumer Price Index (CPI) is sustaining low levels, and the foundation for growth in contrast to Europe and Japan, remains relatively stable.

The Federal Reserve's decision to raise interest rates, thoroughly leaving behind the quantitative easing era, was a monumental sign that the U.S. economy is becoming stronger.

In a nutshell, after experiencing some rough times after the financial crisis, developed economies have essentially experienced a degree of stability. The trend now points to low growth, low inflation and low risk, accumulating a new growth engine.

The third aspect is commodity prices, where they continue to orbit near low levels. This trend has advantages and disadvantages for different economies. In 2014, commodity prices in oil, gold, iron ore, silver, copper and coal all had a big fallout. In

2015, it continues to remain low, and as far as projections, it will continue to remain so.

The main reason behind this consists of four factors. One of these factors is the demand factor. World economic growth is faint, and thus demand for commodities has decreased.

The second reason is the supply factor. A lot of capital during the more prosperous period overflowed into commodities investment, which created a significant over capacity, thus placing downward pressure on the supply side. Third, the U.S. dollar increased in nominal value, which led calculations of commodity prices to fall.

Fourth, advances in technology, where shale oil and gas technology have made significant strides, turning up energy output on a whole new scale. The fall of commodity prices increased pressure on economies that rely heavily on commodity exports. But in regard to countries that import commodity goods, it produced an additional effect of stimulating consumption.

The fifth aspect is that world trade growth is entering a slow growth period. However, global investment is seeing a significant rebound. 2015 world trade grew slowly, and annual increase was at 3.4 percent, slightly higher than last year's, and lower than the 2008 financial crisis. The main cause behind this is not just the fall of commodity prices, but more of it lies in the fact that economies have less demand for them. Hazy forecasts for global trade suggest that market demand will continue to suffer constrictions, which is not ideal for global economic growth.

While global trade mires in slow recovery, global direct investment has accelerated quickly. In respect to 2015, the growth rate is already higher than 10 percent. This suggests that global investors are gaining more confidence. As a result of developed countries having stronger economic forecasts, global investors have subsequently

looked in their direction. Meanwhile, rising economies and their absorption of outside direct investment shares have fallen.

The sixth aspect is that the U.S. and China have entered a new level of certainty in the global economy. Whether it is exchange rate methods or purchasing power parity stabilizing U.S.-China's economic aggregate, the international community offers differing opinions on the matter. Nonetheless, the two superpowers' economies are holding steady, and in comparison to other economic entities, the gap is only becoming increasingly larger. This is also becoming a sure trend.

Although China's economic growth slowed down, it still possesses a massive economic volume, and a moderate growth of about 6.9 percent has still propelled China in 2015 to continue being the world's most important driving force.

On the other hand, the U.S. economy is maintaining a steady, upwards incline, which simultaneously, is a contributing force for the global economy. In this new normal, only the pace of the U.S. and China's two economies can maintain a certain level of growth, thus the global economy will be able to avoid any serious oncoming issues.

Searching For A New Driving Force

After the financial collapse, the world's economic growth profited from two main ingredients. First, the U.S., Europe and Japan implemented quantitative easing policies. Global cheap money were tumultuous, avoiding the shortage of the International Monetary Funds (IMF) liquidity, which in turn was beneficial for the world economy tempering out for growth.

The second ingredient were emerging economies represented by China, whose economy saw relatively fast development, which subsequently help patch up growth deficiencies in the world economy.

Currently, the U.S. and these factors remain uncertain. It is expected that the U.S. will raise interest rates in the near future, even though Europe and Japan are still implementing quantitative easing policies. This may lead to a situation where global funds tighten up. As a result, China's growth rate will change from fast growth to moderate growth, and its contribution to the global economic will subsequently dwindle. In this new normal, the global economy has to find a new impetus for growth, but where will this springboard come from?

First of all, economies around the world are solidifying and strengthening their domestic organizational reforms and elevating production output. The financial crisis demanded economies to implement deep reforms and more or less, every country is instituting reform policies. Some countries have made positive gains, others are still trying to implement, and even some have regressed. The progress made during their reforms is a direct reflection of the condition of that particular country's overall economic growth.

After new governments came into power in the U.K. and India for example, they heavily pushed for reforms, which boosted development in their economies. However, countries like Brazil, Russia and various Middle Eastern countries continue to heavily rely on resource exports. Their economies go hand-in-hand with huge drops in commodity prices, which is a serious issue for them.

Entering his second term in office, President Obama saw his power to bring about reforms diminish, and the market's ability to mend itself weakened, while certain areas had partial failure. Consequently, the economy was never able to achieve authentic, strong growth.

China's new term leadership pledged continued commitment to reform, executing several important reform measures. However, reform needs a sturdy foundation, and a certain amount of time until one can see the fruits of such work. Dividends are anticipated to be reaped in later years.

In a nutshell, each economy's reform measures have entered a new phase, and countries will continue to deepen reform policies, cure organizational ills, and obtain new driving forces for growth.

Second, advancing forward economic globalization needs to continue to grow. Before the financial collapse, the robustness of the global economy, and the degree of economic globalization possessed a strong connection. Globalization essentially created the robust market, and thus generated more development opportunities.

After the financial crisis, international trade was not able to revert to its previous high-caliber level as before the crisis. Acting as a barometer for the progress of globalization, international trade has certainly hit a roadblock. Best represented by the Doha Development Round negotiations, there has yet to be any breakthrough on the matter.

Today's economies thus would rather pass their own regional trade agreements in order to push forward the trade liberalization progress, and advance forward foreign trade. On October 2015, the Trans Pacific Partnership (TPP) was in essence completed, and could be seen as the most significant trade pact in this respect.

If these huge trade pacts can work hand-in-hand with cooperation, they will subsequently be regarded as the most crucial aspects to promoting globalization. Of course, at the same time, there also exist various risks. For example, some countries may try to create a trade system based around exclusive regional or multilateral free-trade agreements (FTA), separating global trade into intranet system. Each economy should make its trade policy from a global welfare perspective, which would help advance economic globalization taking another leap forward.

Third, effective management of geopolitical crises is needed, as well preventing against the risks of geopolitical issues. The global economy requires in environment

of peace and stability in order to thrive. At the present, global conflicts have no realistic foundation, so it's important to place emphasis on preventing the effects of geopolitical risk on global economic growth. The Ukraine crisis continues to worsen, and unrest in the Middle East continues to spread. These geopolitical risks cannot be underestimated.

If these two significant regional conflicts became even more serious, it has the potential to markedly disrupt the stability and flow of Europe's economy, as well as the stability of the global energy supply, and even endanger the global financial system. In addition, other countries' domestic or regional political conflict will create a more severe migrant situation, and as a consequence, increase additional economic and political costs.

Fourth, advance international economic cooperation and coordination. Comparing to the start of the financial crisis and right after it ended, current economic cooperation between the major countries has significantly weakened, as well macroeconomic policy cooperation. Owing to various reasons, the G20's ability in advancing multilateral cooperation, and enhancing global common ground has dramatically decreased. Major economies are more inclined to tailor domestic and external economic policies to their own economic interests.

The short, acute fluctuation periods the global economy and financial system experienced in 2015 is mostly associated with the adjustments and changes in economic policies set by the major economies of the world. The most prominent being whether the Federal Reserve would raise interest rates and when.

In order to prevent against the Federal Reserve's interest rate hike, other economies and the international market either assertively or passively took up preventive measures, which also caused turmoil on the international financial market, and even affected certain countries' financial conditions.

The reality of continued weak global growth requires countries to seriously coordinate economic policies. Clearly defining the direction of each country's economic policy, strengthening macroeconomic communication, and protecting the confidence of further growth, will guarantee continued growth in the world economy.

3. China: Displaying A New Major Power Demeanor

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2015 was another year of China pushing forward its major power diplomacy with Chinese characteristics, reflecting China's status as a great power. Proposing AIIB, President Xi Jinping attending the UN's 70th anniversary, and assisting in the successful conclusion of the Paris Agreement, are all matters that embodied the duties and responsibilities of a rising power in the 21st century.

The AIIB Proposition: China's Major Power Demeanor

The creation of the Asian Infrastructure Investment Bank (AIIB) was the most significant contribution China made to the international financial system since becoming the world's second largest economy.

Asia's infrastructure is severely underdeveloped, which inhibits the economic development of many Asian countries. The International Monetary Fund (IMF) and the Asian Development Bank (ADB) have limits in regard to raising funds. In light of this situation, China decided to propose the AIIB in order to supply public goods for Asian countries.

In October 2013, President Xi Jinping initially put forward the idea for the creation of the AIIB. A year later in 2014, China, along with India, Singapore and 21 other countries' finance ministers and relative authorities, finalized their intention to become founding members of the AIIB by signing the agreement to establish it.

By April 15, 2015 deadline, 57 countries expressed their intentions of becoming founding members, including 37 of those located in Asia, and the other 20 being from outside the Asian continent. Excluding the U.S., Canada, Japan and certain European countries, members all together spread across five continents in the world.

On June 29, 2015, the AIIB Agreement was signed in Beijing. The finance ministers and relative authorities of the 57 founding member countries all attended, with 50 of them officially signing the agreement via their own domestic ratification processes.

The undertaking of founding the AIIB was not an easy proposition in the face of covert and non-covert opposition from the U.S. and Japan. The founding of the AIIB not only reflects the international community's adulation for such a proposition, but more or less clearly defines the expectations, and support many countries (including a number of U.S. allies) hold for a China that is more willing to lend assistance on the international stage.

One of the excuses the U.S. uses to oppose the AIIB is that its standards are supposedly lower than those of the IMF and ADB. However, in many different aspects, the AIIB has the advantage of being a more recently proposed institution.

First off, the AIIB's modus operandi is lean, clean and green. The AIIB is a high-level, simplified organization, recruiting the best and brightest around the world, and developing highly effective workers, as well as aiming to eliminate any organizational bloating. The AIIB has a zero tolerance policy towards corruption, and will establish the relative systems and procedures to prevent corruption from occurring.

The AIIB also plans to promote the development of green and low-carbon economies, aiming to achieve a harmonious coexistence between environment and people.

Secondly, in contrast to the IMF and ADB, the AIIB's loan standards are much lower and the approval process is much more flexible. Thusly, when supplying loans to member countries it won't need to require excessive conditions, which will in turn boost efficacy, and better serve those countries that need AIIB loans. It also has the added benefit of advancing regional cooperation.

Thirdly, the AIIB is only a supplement, not a replacement, to the IMF and ADB. It's an impetus and enhancer of our current international financial system, not something to topple it. This is also essentially China's current position in regard to the current international system.

The rise of a new superpower inevitably will produce various, contrasting effects. AIIB on the other hand, is a symbol of gratitude from China's peaceful rise. It embodies China's intention to provide the world with more public goods, promote institutional innovation, and uphold the notions of advancing ideals, as well as China's ability to undertake skilled diplomacy. In a word, the proposition of the AIIB reflects China's new major power demeanor.

Contributing to the United Nations: China's great power responsibility

2015 was the 70th anniversary of the United Nations. President Xi Jinping attended the 70th anniversary summit, took to the podium, and illustrated China's historical, development and order perspective. Xi announced China's willingness to take major actions to advance world peace and progress. This once again embodied China's mission and responsibility as a new major power.

In recent years, as China's comprehensive power increased rapidly, it has become more active in managing international affairs and promoting global governance in the pursuit of the major power diplomacy. At the same time, China is also a country with a long, ancient civilization that is also not a Western country, and hails from the developing country camp. What the international community cares to see is a China that uses its wisdom and experience to contribute to advancing world growth, and accomplish that through reasonable, development philosophies and governance plans.

During the series of UN summit meetings, President Xi expounded upon a new type of international relations, emphasizing several ideals, such as establishing partnerships based on mutual understanding and respect.

Xi also talked about creating fair, co-constructed and shared security patterns, as well requesting for future development that is founded on openness, innovation and mutual understanding. In addition, Xi discussed promoting cross culture communication, building mutual respect for nature, promoting green ecosystems, and creating the “Five in One” model to build a path for a common destiny for all people.

Advocating such an order is not just China’s view on innovating and developing the international system, but is also reflected in the UN charter. That is, to expand new principles for the development of international relations and thus, open up a new future.

This year’s UN summit emphasized the development agenda, which included many different Chinese principles, propositions and projects. President Xi discussed placing fair, open, all-around and innovative concepts as the core concepts for progress.

He also mentioned the need to strengthen countries’ development capabilities, improve the international development environment, optimize development partner relations, and develop the coordination mechanisms of the four-point policy, along with China’s own self-development views and domestic reform concepts integrated as one. Thus, creating a new Chinese “development brand”.

In addition, President Xi attended the jointly organized UN South-South Cooperation roundtable discussion, where he discussed the South-South Cooperation’s principles of mutual trust, mutual benefits and shared profit, as well joint mutual assistance.

Xi advocated for developing countries to explore more diversified paths of development, and push forward the coordination of development strategies between countries. This would help produce concrete results, while at the same time, improve the structure of global development. This will also produce the effect of displaying

more vivid Chinese characteristics in this new period of development of the South-South Cooperation.

Actions speak louder than words. During the UN summit, President Xi not only expounded on the aforementioned positive concepts and proposals regarding development and governance, he also announced China's series of important measures to advance peace and development.

Xi also announced a \$1 billion "peace and development" fund to support the UN and multilateral cooperation within the UN framework over the next 10 years. China also plans on entering the UN peacekeeping capability readiness system, and taking the lead by setting up a permanent peacekeeping police force and a standby force of 8000 troops. In addition, Xi announced that China will pledge \$100 million of free military assistance to the African Union to assist the African standby forces, as well as enhance Africa's crisis response capabilities.

By establishing the South-South Cooperation Assistance Fund, China plans on increasing investment to underdeveloped countries, and forgive the interest free debts owed by the poorest countries, including landlocked developing countries and small developing island states, which expired at the end of 2015. China also will establish an international development knowledge center, among other goals. Thus, China is taking the lead by implementing effective post-2015 development agenda.

China aims to reduce poverty, cooperate on agriculture, advance trade and ecological protection, as well as help developing countries in combating climate change. Furthermore, China will assist in medical facilities, and education training through "6-100" projects.

China also vowed \$10 million to UN Women, which will be implemented under the "Beijing Declaration" and "Action Program", as well as post-2015 development agenda goals. Also in the coming five years, China plans on building 100 "health

projects for women and children”, send teams of medical experts to provide various services, and establish 100 “happy campus projects”.

China will also supply funds for poor female children to go to school and raise the rate of those that enroll in school. Additionally, China plans to invite 30,000 women from developing countries to come to China and attend training programs, and train 100,000 female technical personnel.

The above mentioned projects and actions proposed are aggressive, apt and pragmatic, reflecting the dedication and responsibility of a rising major power.

Addressing Climate Change: China’s Major Power Responsibility

Addressing climate change is a major issue in today’s global governance. The 2009 Copenhagen Climate Change Conference failed to reach agreement on the pledge to reduce emissions, long-term goals and technology funds. After that, the international community stepped up efforts in combating climate change, but the prospects remained uncertain.

On December 2015, the UN Convention on Climate Change held its 21st signatory conference in Paris. At its conclusion, the Paris Agreement was signed in response to confronting climate change. Its goal aims to control the global temperature rise by the end of this century within 1.5 to 2 degrees Celsius compared with the pre-industrial level in 1750.

China is the world’s largest carbon emitter, so in reducing emissions, China has a grave responsibility. The success or failure of international climate change negotiations hinge largely on China’s policies and standpoints. However, as China is still a developing country, its ability to reduce emissions is consequently restricted by its current development phase.

The Copenhagen Climate Change Conference ended on bad terms, and China often was the brunt of criticism. But despite unfair criticism, China still faces a lot of international pressure in reducing carbon emissions.

In recent years, China has increased its international effort in the fight against climate change. On November 11, 2014, the U.S. and China announced a joint climate change pact, highlighting the two countries' goal of reducing emissions.

The U.S. plans on cutting down the production speed of carbon dioxide (CO₂) emissions by half. By 2025, the U.S. aims to reduce overall emissions by 26-28 percent, while China intends by 2030, to reduce its use of fossil fuels as main source of energy by 80 percent, and achieve a peak of CO₂ emissions by 2030.

The two countries also promised to step up efforts for international climate change negotiations to reach an agreement by the Paris Conference in 2015, as well as strengthen bilateral cooperation on climate change.

As the two biggest emitters of CO₂ in the world, the U.S. and China, by teaming up to combat climate change, fundamentally transformed the global politics of confronting climate change. It also had the added bonus of demonstrating to other countries the need to reduce emissions, as well as promoting a new agreement to be reached during the 2015 Paris Climate Change Conference.

On September 2015, President Xi Jinping made a state visit to the U.S., where the two countries once again announced their mutual agreement in combating climate change. The two powers promised to move forward hand-in-hand together, and with other countries, as to ensure that the Paris Climate Change Conference would achieve tangible success.

The U.S. and China working closely together during the Paris Climate Change Conference created a solid foundation. In addition, China issued a joint declaration

respectively with India, Brazil, the E.U., France and other countries and regions, sending a strong political signal to the world that green, low-carbon economies are the sustainable path forward.

In June 2015, China submitted the “Intended Nationally Determined Contributions” (INDC) document on the issue of confronting climate change. In this document, China laid out its plan to cut greenhouse gas emissions per unit of gross domestic product (GDP) by 60-65 percent from 2005 levels by 2030.

Also by that time, China pledged to reach a peak emission level of CO₂ gas emissions, and would strive to reach that peak sooner. China would also increase the share of non-fossil fuels as a component of its primary energy consumption to around 20 percent by 2030. In addition, China aimed to increase the cubic meter volume of forests to four and a half billion from 2005 levels.

In order to implement the South-South Cooperation policies in the realm of climate change, China will support developing countries, especially the least-developed countries, landlocked developing countries, and small island states in tackling the challenges of climate change.

In September 2015, China announced a pledge of 20 billion yuan (about \$3 billion U.S. dollars) to establish the China South-South Climate Change Cooperation Fund, as well as launching 10 low-carbon industrial parks in developing countries, initiating 100 climate mitigation projects, and 1000 training opportunities to combat climate change.

China will continue to advocate clean energy, fire prevention and mitigation, ecological protection, adaptable agriculture, smart, carbon-low cities, and other areas of international cooperation, as well as help with countries’ financing capabilities.

In late November, President Xi attended the Paris Climate Change Conference opening ceremony, and delivered a speech in which he appealed to the international community for a climate change agreement that is comprehensive, balanced, forceful and binding. Xi also mentioned a fair, reasonable and effective global solution plan to combat climate change, and suggested exploring sustainable development paths forward and new governance models.

The successful completion of the historical Paris Agreement reflected the international community's universal agreement in that China's role on the international stage is irreplaceable. This role is embodied in two aspects. The first being a demonstration of serious reduction of carbon emissions, and the second being an impetus for completing the agreement.

Behind these actions reflects China's strong political will to move forward with low-carbon, green development, as well as to play as a responsible major power in international affairs. China not only changes itself, but also affects the world, these endeavors are a balanced compliment of one another.

In 2015, China displayed a new major power demeanor, which made the world feel a sense of refreshment. In a world featured by more and more challenges and an increasing lack of leadership ability, the international community's expectation in China has become greater and greater. In return, China will offer the world more and more surprises.

4. Obama: Endeavoring to Build a Political Legacy

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The 2014 midterm elections gave the Republican party the majority in Congress. With party politics intensifying and becoming a norm of the U.S. political system, it essentially signaled that President Obama's last two years in office would be a "lame duck" presidency. However, while his term coming slowly to an end, Obama instead took the challenge head on, and on domestic and diplomatic affairs, strived to make an impact and create his own political legacy. In the end, 2015 became a rare year within his two political terms that reaped solid benefits.

The Two Biggest Domestic Accomplishments

Congress passing Obama's healthcare law in 2010 was one of the three major principles of Obama's campaign for office, a feat that sufficiently etched Obama's name in history. After its passing, the Republican party was displeased and worked hard and quickly as possible to abolish it. One of the ways by which Republicans opposed it was through a myriad of lawsuits.

However, on June 6, 2015, after several months of heated debate, the Supreme Court rendered a decision in regard to Obama's Affordable Healthcare Act's clause on tax subsidies, with their ruling stating support for the federal government to continue providing support for medical insurance subsidies for 6.4 million healthcare recipients. The court's decision not only saved Obama's healthcare law, but also firmly cemented Obama's most important political legacy of his term in office.

Same sex marriage equality was another important domestic issue on which Obama placed much focus. In Obama's second term inaugural address, he solemnly declared: "Our journey is not complete until our gay brothers and sisters are treated like anyone else under the law, for if we are truly created equal, then surely the love we commit to

one another must be equal as well.” Promoting the legalization of same sex marriage became Obama’s most important agenda item in his second term in office.

On June 26, 2015, the Supreme Court by a ruling of 5-4, declared that no state can outlaw same sex couples from marrying, signifying the legalization of same sex marriage in all 50 states. From a policy agenda perspective, Obama did what he promised he was going to do in regard to same sex marriage. This action not only protected the rights of same sex couples, but more importantly was an endorsement of the Democratic party’s liberal values. Thus, Obama’s political legacy list added on one more item.

Blossoming Diplomacy

In contrast to Obama’s domestic policies, his diplomatic accomplishments are even more eye-catching.

First and foremost, U.S.-Cuba relations had a historical breakthrough. The U.S. decades-long embargo and sanctions against Cuba didn’t produce any desired results in changing the Cuban regime. The United Nations General Assembly over 23 years requested the U.S. to end its sanctions against Cuba by an overwhelming majority. In essence, continuing such a damaging and ineffective policy had no real benefit for U.S. national interests.

Obama had in mind to make a fresh start. In his second term, he initiated secret diplomatic talks with Cuba, and they quickly obtained results. On December 17, 2015, the U.S. and Cuba announced the initial process of normalization of relations between the two countries. April 2015, the heads of states from the U.S. and Cuba met at the Summit of the Americas, a feat of historical proportions. In May, the U.S. announced that it was officially removing Cuba from the list of state-sponsored terrorism. In June, a U.S. congressional delegation made a state visit to Cuba. On July, 20, the U.S. and Cuba reopened their embassies in each other’s respective capitals, signifying the normalization of relations between the two countries. The breakthrough in

U.S.-Cuban relations had a limited effect on international politics, however, it displayed Obama's determination for change and his courage in leaving the old policy behind.

Second, the Iran Nuclear Agreement came to a successful fruition. On July 14, 2015 after 20 months of intense negotiations, the U.S., China, Russia, the U.K., France, Germany and Iran, finally reached a comprehensive agreement on the issue of Iran's nuclear program.

The basis of the agreement states that in exchange for the cancellation of economic sanctions against Iran, Iran will in turn have strict measures placed on its nuclear program. In September, Obama overcame any efforts to thwart the deal by Congress when the Senate rejected the Republican party's appeal to ban its passing. In October, Iran's parliament also officially ratified the nuclear agreement. On October 18, the Iran Nuclear Agreement came into effect, and Obama immediately ordered the initial measures of lifting sanctions against Iran.

The Iranian nuclear issue was a long-standing one. In 1996, the U.S. passed the Iran Sanctions Act, which forced Iran to give up its nuclear agenda and accept inspection. Iran, the International Atomic Energy Agency (IAEA) and the six major countries on the Iran nuclear issue held a countless number of meetings, but none brought any results. Beginning in 2006, the UN Security Council passed several resolutions implementing sanctions against Iran. However, in 2013, Rouhani becoming president of Iran offered some possibility of a breakthrough in the Iran nuclear issue. Consequently, finding a solution via negotiations came to the forefront of diplomatic importance for Obama in his second term in office.

Beginning in November 2013, the U.S and Iran began long back-and-forth discussions on the matter and finally in April 2015, they reached a framework agreement, and on July of the same year, reached a comprehensive agreement.

During this process, Obama withstood not only domestic pressure from right-wing conservatives and the pro-Israeli faction, but also immense external pressure from Israel, and many key Gulf allies in the region.

The Iran Nuclear Agreement not only improved U.S.-Iran relations on a major scale, as well as easing the tension in the Middle East, but also reflected Obama's strongly held conviction to utilize diplomatic means as a way to solve international disputes, and the fact that such a principle has quite a degree of feasibility when put into international political practice. In one sense, the success of the Iran Nuclear Deal makes Obama as a Nobel peace prize laureate more worthy of such a reputation.

Third, the Trans Pacific Partnership (TPP) negotiations reached an agreement. The TPP holds the title of the "21st century's highest standard agreement for economy and trade". It is a multilateral agreement that is wide-ranging, covering everything from labor protection, market access for agricultural products and vehicles, intellectual property rights, investment, telecommunications, e commerce and government purchases to state-owned enterprises (SOE). It also contains a high degree of transparency, anti-corruption standards and dispute-settlement mechanisms.

In addition, the TPP promotes low tariffs, offering reduced or no tariffs on 18000 different types of commodities, and the relative standards are high, containing the highest standard of labor and environmental protection.

The TPP was originally introduced by New Zealand, Singapore, Chile and Brunei. In November 2009, the Obama administration announced that it was entering TPP negotiations. Thus, the TPP became the most important feature of Obama's "pivot to Asia" strategy. After the U.S. inclusion into the TPP, Australia, Vietnam, Japan and other Pan Pacific countries successively joined one after the other.

Negotiations officially began March 2010 with the Obama administration hoping for a successful conclusion by the fall of 2012, but as a result of serious discrepancies

between various member countries, the negotiations were continuously delayed until the fall of 2015 when they were finally wrapped up.

From the Obama administration's perspective, the successful conclusion of the TPP negotiations holds several different aspects of importance. First, it represents the most significant accomplishment of Obama's "pivot to Asia strategy". In one sense, the successful conclusion of the TPP represents the Obama administration's ability to offer the American public evidence of serious political achievement.

Second, the TPP includes the world's number one and number three biggest economies. TPP member countries' total economic aggregate makes up of 40% of the world's economy. The U.S.-led negotiations aptly reflect America's competitive edge, benefitting U.S. export and investment and thus, bringing considerable economic profit.

Third, as a result of China not entering the TPP negotiations, China's voice in regional economic provisions as well as its economic connections with TPP member countries will both suffer as a result. This will produce the effect of weakening China's economic influence in the Asia-Pacific, and thereby, undermining China's political influence in the region as well.

Fourth, the successful conclusion of the Paris Climate Change Agreement is another bright spot on Obama's political legacy list.

While Obama was campaigning during his 2008 presidential run, he proposed several policies to combat climate change, and after his term in office, he hoped to push his agenda at home and abroad. However, the 2009 Copenhagen meeting suffered from severe discrepancies in the international community, leaving negotiations with nothing on the table. Domestically, Obama's proposed carbon-cutting measures were also vetoed. In a nutshell, there were very few achievements made on this matter during Obama's first term in office.

In 2014, the U.S. and China released a joint statement on combating climate change, announcing mutual clear-cut goals of reducing carbon emissions, and agreeing to ensure that negotiations during the Paris Climate Change Conference would result in reaching an agreement on time.

This particular action on tackling climate change transformed the entire global political layout, turning prospects bright for future UN negotiations on the matter, and generated significant encouragement for Obama.

In August 2015, Obama unveiled the Clean Power Plan, which aims to reduce greenhouse gas emissions from U.S. power stations. This plan has been referred to as the biggest action taken to tackle climate change in U.S. history. It also aimed to push a successful conclusion to negotiations during the Paris Climate Change Conference.

In February 2015, during President Xi's state visit to the U.S., the two countries once again issued a joint statement confronting climate change, promising to work together and lead other countries in ensuring that the Paris Climate Change Conference negotiations reach an agreement, as well reaffirming each others' commitment to domestic climate change policies. In addition, China and the U.S. agreed to continued cooperation and coordination, as well to promote sustainable green development, and economies which are low-carbon and climate-adaptable.

Close cooperation on combating climate change between the U.S. and China created a solid foundation for the Paris Climate Change Conference. While attending the Paris Climate Change Conference opening ceremony, Obama made a plea for countries to work together to reach an agreement. During the meeting, Obama kept an open line of communication with the leaders of Brazil, India and China, strengthening communication and coordination.

On December 13, negotiators from 196 countries passed the historical Paris Agreement. The Paris Agreement is not just the international community's most major accomplishment in tackling climate change, but also, Obama got his heart's desire granted to him on combating climate change through this historical agreement.

Obama entered the White House under the banner of "change". As a result, the American public placed a lot of expectations in Obama to enact change and during his first term, he was daring and energetic and made quite a few lasting achievements. However, starting with his second term in office, Obama's successes were in decline and his approval rate began to dip. The Democratic Party getting walloped during the midterm elections rubbed more salt in the wound.

In such a situation, Obama being able to accomplish anything, would be considered rare and valuable. To be sure, some favorable objective factors play a critical role in support, but it was Obama's perseverance in his ideals and leadership ability that played the biggest role.

During his last year in office, Obama is still fighting for his political legacy, with pushes for immigration reform, closing Guantanamo and Congress's ratification of TPP, etc. Some of these are likely to be victorious, while the fates of others have yet to be decided. Nonetheless, Obama's ability to add a few more items to his political legacy is something about which we can only wait and see.

5. Putin: From Ukraine to Syria

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With the Ukraine crisis still in motion, Western countries' continued sanctions, and its domestic economic situation in turmoil, Russia suddenly launched an aerial bombing campaign in Syria against the Islamic State of Iraq and the Levant (ISIL) on September 30. Russia's high-profile military campaign in Syria caught the entire world off guard. Russia's unpredictable and incomprehensible diplomacy once again stupefied the world.

Russia's Strategic Motives and Operational Logic

In regard to Russia's strategy for entering the Syrian conflict, Russia gave a terse response: combat terrorism. Vladimir Putin explained that there are 2000 former Soviet Union citizens fighting for ISIL, and they plan on returning to Russia, and carrying out terrorist activities. Instead of waiting for them to come, Putin explained that it is more effective to extinguish them first from outside Russian borders. Putin later upped the number from the range of 2000 to 5000 to a total of 7000 former Soviet citizens.

In October 2015, at the Valdai conference, Putin once again clarified Russia's intention, indicating that Russia's military presence in Syria was at the request of the Syrian government. Other objectives are to help restore peace, and make sure that terrorists do not return Russia and inflict harm.

What Putin said is true, however his remarks lack specifics and comprehensiveness. The international community's thoughts on Russia's motives however are more direct. Besides, combating terrorism and protecting national security, the remaining key viewpoints can be summarized by the following:

First, ease pressure stemming from the Ukraine conflict, and shift the international community's attention. Ever since the Ukraine conflict broke out in 2014, the U.S. and Europe's attention has solely been focused on Ukraine, and every Russian action in the process has been closely scrutinized as a result.

After annexing Crimea, Russia has been the brunt of immense criticism, and has faced tremendous pressure from international public opinion. The stalemate in Ukraine has yet to be resolved, and Russia is stuck right in the middle of it.

Russia hopes to change the battle lines from "interior" to "exterior" through its military actions in Syria, transferring its military mite from Ukraine to the Middle East. From Russia's perspective, the less involved the U.S. and the West is in Ukraine, the more profitable the situation is for Russia.

Second, Russia wants to create a new international situation and diplomatic lever to occupy the diplomatic initiative. By engaging in the Syrian conflict through military actions, Russia has gone from an observer in Middle East to a shaper in one go, aiming to prevent a U.S. monopoly in Middle Eastern affairs.

Additionally, Russia's anti-terrorism efforts in the region have seemingly been more prominent than those of the U.S. From an analytical point of view, Russia hopes to turn its involvement in the situation from a passive to an active one, forcing the U.S. and Russia to communicate and cooperate, and together combatting terrorism to ease tensions between the two countries.

Third, support President Bashar al-Assad's regime, preserving the status quo with al-Assad as Syria's leader. Despite Russia proclaiming that it didn't enter the war in order to protect al-Assad, Syria is still Russia's most important support center in the Middle Eastern region, and is one very few friends in the region.

If the al-Assad regime collapses, Syria will either fall into the hands of ISIL or be in control of another pro-U.S. country. Either way, Russia will lose a very significant foundation in the region, especially because the Russian navy's logistic base is located in Tartus, which would then cut off Russian naval access to the sea.

It was an obvious move by Russia to save the Bashar al-Assad regime when Russia decided to intervene during the regime's gravest point. Of course, making sure Bashar al-Assad remains in power isn't Russia's end goal, it is instead just a path to its strategic objectives.

Fourth, return to the Middle East, which demonstrated Russia's status as a major power. Participating in the Syrian War was the first time since the fall of the Soviet Union that Russia deployed troops and fought in the former Soviet Union region. Such an action reflects the end of previous strategic constriction, the start of involvement in the former Soviet Union block, and engagement in international crisis via its military.

Fifth, turn around the fall of energy prices, and increase the price of petroleum. Energy exports are the main source of Russia's income, but since the outbreak of the Ukraine crisis, oil prices have dropped sharply, which caused Russia's financial revenue to also drop steeply. This effectively constrained Russia's financial resources, and created a negative impact on its economy.

Some believe that the main reason for Russia entering the Syrian conflict was to stop oil prices from continuing to drop, and to jump start an increase in prices. This logic also forced Saudi Arabia to give up on its oil price war, which complicated the situation in the Middle East, and pushed up oil prices in the process.

Another explanation for Russia's military involvement is the recently discovered immense energy reserve in the Eastern Mediterranean Region, where Russia does not want to allow a challenge to its energy monopoly.

After Russia initiated its aerial bombing campaign against ISIL in Syria, the price of crude oil quickly rose, suggesting perhaps that the abovementioned theories are true.

The sixth and last reason, from a domestic political calculation, is Russia's worsening economic situation, which perhaps gave Russian citizens a negative perception of their country. Through a power display on the international stage, Russia hopes to give Russians a sense of national pride, and raise the political approval rating of Putin as a result.

All of these theories have some validity. Perhaps, they are the reasons for Putin deciding to intervene militarily in the Syrian conflict. However, all of these theories make an adverse inference from the basis of a behavior-effect relationship. Although, there is rationality behind this, it is not however a certainty.

For example, no one applied this reasoning to predict Russia using military force in Syria, and furthermore, with Russia, this behavior-effect relationship, has always existed. That is to say, at different times, Russia has used the same measures, which produced the same results before. But why then didn't Russia in the previous half year or year enter the Syrian conflict?

In a word, this behavior-effect relationship is a rational deduction, but not necessarily a direct explanation of Russia's motives.

In fact, the decision-making process can be affected by many different factors, including the policy-maker's subjectivity and personality, and this factor especially holds much weight in an authoritarian system. That is to say, perhaps the decision-making process isn't as complex as it would first appear, and is instead simple. In this situation, policy-makers might make a hasty decision based on their own judgment.

In regard to Russia's diplomatic characteristics, predictability is one of its most defining basic principles. However, from Crimea to Syria, Putin's diplomacy has been anything but predictable. Perhaps Russia is purposely trying to catch the world off guard. Maybe it is not illogical; it is however instead the result of a different way of thinking. In the eyes of some, these are unexpected actions, but perhaps is seen as logical from Russia's point of view.

In other words, Russia's actions are unconventional. Russia is attempting to leverage the global focal point, and deliver a shattering blow to transform the situation. This is Russia's diplomatic norm and logic.

This type of diplomacy is not a rare sight for Russia, and if the situation becomes more worse, the more Russia will lean in that direction. In the midst of risk, Russia is looking for victory, not retreating or avoiding a fight to protect itself. Putin has used Russia's diplomatic "norm" and brought it to its highest level. Crimea and Syria are the "masterpieces" of this "norm".

Although the behavior-effect relationship can be inferred, one however cannot be certain of the specific motives behind Putin's decision-making process. Nonetheless, Russia's actions do attain this relationship's objective, and it is a reasonable inference that enables an understanding of Russia's actions.

Thusly, the above mentioned seven theories can basically sum up the strategic objectives of Russia's military actions in Syria.

The Effects of Russia's Actions and Major Power Ambition

So, how to evaluate the effects of Russia's military actions in Syria?

Stabilizing the rocky al-Assad regime was one of the effects of Russia's entrance into the conflict. From the U.S. perspective, this signifies that whether or not the U.S. politically accepts the al-Assad regime, it is unable to reject the reality of its

continued existence. The U.S. plans of a regime change thus became more distant, while from Russia's perspective, stabilizing the al-Assad regime signifies its strategic foothold in Syria will continue to exist and even become more sturdy.

One other notable effect is that Russia has gone from a minor role in the Syrian conflict to a leading actor along with the U.S., with Russia's influence in the Middle East having had a dramatic increase, which in turn has forced the U.S. to communicate with Russia.

In the midst of Russia's continued presence, U.S. policy cannot avoid Russia's mark, and so the freedom of choice has shrunken. Russia's advantage lies in its united front with Syria and Iran, which creates a strong foundation for a continued Russian presence in the Middle Eastern region, and increased Russia's influence.

With its military involvement in Syria, Russia's military presence has increased dramatically, including more ground forces, strategic bombers, warships, submarines and anti-aircraft missiles. In a word, through anti-terrorism operations, Russia has completed its military presence in the Middle East. In any normal circumstances, this would have been impossible.

Regarding the Ukraine crisis, Russia's actions have also produced notable results. With Russia beginning its strategic bombing operation, and the Syrian conflict becoming more intense and turning into the focal point of the international community, the Ukraine conflict has started to cool down.

With the U.S. and the EU's attention being shifted, the strategic pressure on Russia decreased in regard to the Ukraine conflict, which in one aspect, cooled the situation. This was beneficial for Russia, easing tensions between itself and the EU, as well as increasing Russia's influence in the Ukraine conflict.

As far as anti-terrorism, Russia's aerial bombing campaign has killed a large number of terrorists, and delivered a significant blow to ISIL. But as far as being able to exterminate former Soviet Union terrorists outside its borders, the results remain unclear.

Russia's deployment of troops into Syria forced the U.S. to open up communication on the Syrian conflict, and to an even greater extent, cooperate. However, the two countries have still yet to accomplish what they accomplished after 9-11. Cooperation on anti-terrorism efforts have not been able to push the two countries to enter the same trenches again. In fact, Russia's military involvement in Syria has not only increased U.S. displeasure with Russia, but has instead produced a deepening U.S. mistrust of Russia. U.S.-Russia relations in the Middle East are more competition than cooperation.

After Russia's military actions in Syria, the price of crude oil increased. However, this was short-lived, and its future prospects are something we will have to observe. In addition, it is uncertain whether this was a coincidence in regard to Russia's military actions in Syria, or there was a cause and effect relationship.

At the end of 2015, the international price of crude oil was less than \$40 a barrel, and this price may perhaps continue at low levels in the long term. After Russia's military actions, the most pressing issue for Russia is how to change the situation into a sustainable political impetus and future capital, while at the same time, avoiding an unwinnable, unable-to-withdraw quagmire, and thus becoming a strategic burden.

In this respect, Russia has a certain knowledge and skill. In October 2015, al-Assad made a surprise visit to Moscow. After his visit, Putin proposed a four-step plan for resolving the Syrian conflict.

First, a call for countries in the Middle East to form an anti-terror coalition to assist in liberating Syria and Iraq from the hands of terrorists; second, begin the course of a

political resolution in Syria, and to allow the Syrian people decide the outcome; third, during the political resolution process, the Muslim world, Muslim leaders and Islamic leaders need to participate in the process; fourth, formulate a path to restoring Syrian politics and society.

Putin even decided to coordinate with Syrian anti-opposition troops, supplying support to their fight against terrorists. It is clear that with Russia's military actions, it is attempting to achieve a comprehensive resolution to the Syrian conflict. However, the U.S. and the West have been cold to Russia's proposed plan. Syrian anti-opposition troops have also communicated conflicting reports, with some troops unappreciative of Russia, and not accepting Russia's support.

Russia's military entrance into Syria is not without risk and cost. Some believe that Putin is a tactical master, but not a strategic master. Russia's presence in Syria will provide short-term benefits, but in the long-term, it will cost Russia. Whether this view is right or wrong, different people have different views. This type of view certainly is affected by different people's standpoints and perceptions. In the end, only experience can verify its accuracy.

Russia teaming up with Shiites in Syria and Iran might complicate relations between Sunni-dominant countries and domestic Sunni-based Islamic organizations. Fighting a war is expensive. If the war becomes lengthy, it will have a negative effect on a country's finances, and rub more salt in the wound.

Also worth observing is that after Russia's military intervention in Syria, as the situation develops, it is possible that Russia will be swept away by the changing state of affairs. ISIL's revenge against Russia, and Turkey shooting down a Russian fighter plane have all forced Russia to react, which then limits Russia's political options. A good example of this is the worsening relations between Russia and Turkey, a result which was never intended by Russia.

Despite the future prospects of Russia in Syria remaining complicated and confusing, by looking at Putin's actions in Syria, Russia's strategic development track is quite clear.

From the corner of the Caucasus from Abkhazia and South Ossetia, to Ukraine in Central Eastern Europe, to outside the former Soviet Union in Syria, Putin's actions as the leader of a major power have become increasingly more ambitious, and have gone further and further.

6. The EU's Five Major Crises and Challenges

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The EU faced a myriad of challenges in 2015. From politics to economy to societal challenges, some of them have eased, while others, however, still rage on, remaining unresolved. In a nutshell, these challenges include the Greek debt crisis, the migrant crisis, skepticism on whether Europe will continue to remain strong, adjustments in transatlantic relationships, and the stalemate in the Ukraine crisis. During the process of managing these challenges and crises, it's become clear that the EU's ability is not on par with its ambition, and thus, the EU has suffered significant setbacks. The European integration process also faces severe challenges ahead.

The Evolution of The EU's Five Crises

1. The Greek Debt Crisis

2015 wasn't the first time a Greek debt crisis occurred; before 2015, it happened twice. After the first Greek debt crisis, Eurozone member states agreed to give 30 million euros to Greece, which temporarily solved Greece's problem at the time.

In February 2012, the Eurozone Finance Ministers' Meeting (Euro group) ratified a second relief plan, pledging a total of 130 billion euros to Greece. Of course, Eurozone countries requested that Greece implement internal public finance reform as a precondition of the relief plan. They requested the Greek government to shrink its finances, reduce domestic benefits, and speed up the privatization process.

In early 2015, Greece's radical left party, the Syriza party, won a historical victory in the presidential election. At the beginning of its term, the party immediately started eliminating Greece's relief plan accords with the Eurozone, refusing to implement the original relief plan's conditions of austerity measures.

Prime Minister Alexis Tsipras declared that Greece would terminate any loan-assistance programs that had been previously concluded with the Troika (the EU, the European Central Bank and the IMF), demanding that the international community reduce debt; otherwise, Greece would not repay the debt it owes.

On July 1, 2015, in accordance to the original agreement, Greece must return debt owed and receive a new round of financial assistance. On June 25, Greek creditors proposed to extend the already expired rescue plan by five months, and in the process, Greece would obtain another 15.5 billion euro loan. In exchange, Greece must continue being under the supervision of its creditors, and implement a series of austerity reforms measures.

In response, the Syriza party rejected this particular condition, and on July 5, held a public vote on whether to accept such a measure by the Eurozone. The following day, the results from the public vote signaled the majority of Greeks' rejection of the creditors' demand. Consequently, the third Greek debt crisis erupted.

On July 8, at the EU Summit meeting, Eurozone leaders expressed a dismissal of Greece's threats, and stated that they would not reduce debt. Eurozone leaders even indicated that they already had a detailed plan in place for Greece's imminent exit from the Euro zone.

On July 13, Greece and its creditors held negotiations that led to a compromise, and in the end passed a new economic reform plan for Greece. The plan would give Greece more relief money, while also requiring Greece to adopt measures including large-scale privatization steps, with Greece's valuable assets being transferred to individual funds. Through the plan's privatization procedure, asset monetization would be accomplished.

Soon afterwards, the European Financial Stabilization Mechanism (EFSM) transferred the initial fund of \$7.16 billion US dollars in relief money to Greece. The

EU's new round of official relief funds opened up, and thus, the third Greek debt crisis was temporarily relieved.

2. Refugee Crisis

In 2015, the worst migrant crisis since World War II occurred in Europe, and currently, the situation is becoming more severe.

According to statistics from the UN Refugee Agency (UNHCR), from August 2015, the number of migrants from the Mediterranean region that have entered Europe has already reached 260,000 migrants.

Bearing the brunt of this wave of refugees are Hungary and Italy, where around 160,000 and 140,000 migrants have poured in, respectively. Countries in Eastern Europe, like Macedonia, have also faced a large number of refugees entering their territory. For example, the number of refugees in the first half of 2015 ranged around 150 refugees per day, and by August, that number reached 2000 refugees per day.

This never ending flow of refugees hail from countries in the Middle East and north Africa, such as Syria, Libya, Egypt, Afghanistan and Eritrea. Because they come from areas where there is constant fighting, systemic upheaval, and the constant threat of ISIL, a large swath of residents have had no choice but to live a life of vagrancy in order to escape. These residents have become the catalyst of the migrant crisis.

In the face of the worst migrant crisis since World War II, the EU has held a series of meetings on the matter, and enacted a string of response measures, including member countries sharing the refugee quota, assisting surrounding countries in controlling the flow of refugees, and expanding refugee relocation centers in the Balkans and Greece.

In May, the EU proposed a "refugee quota" plan, which required countries, in recognition of their land mass, population and economic capabilities, to share the

burden of migrants that have entered the so-called battlefront countries of Hungary and Italy.

Four months later, the refugee allocation measures finally passed, with each of the member countries accepting the transfer of 160,000 migrants in the next two years; the actual transferring process didn't officially start until October 9.

However, out of 28 EU member countries, only 14 of them have taken the necessary precautions to admit the agreed-upon number of people. In the entire month of October, only 86 migrants from Eritrea and Syria were successfully relocated to Sweden and the Netherlands.

On October 25, an EU committee organized a special meeting with several leaders from European countries to once again discuss the migrant crisis. In the end, each representative agreed on a 17-point action plan that aimed to reduce the refugee pressure from the Balkan countries. In addition, in order to effectively manage the migrant crisis, the EU made two adjustments to their financial budget, first, increasing the promised budget number to 489 million euros, and second, establishing a 133 million euro financial expense budget.

At the same time, each country tightened up their border control management procedures. For example, Germany reinitiated its border control with Austria. Austria and Hungary also strengthened their border control, and Hungary built a wire-netting enclosure at their border in order to protect its border with a non-EU member country, Serbia. France and Italy also tightened up their inspections along their borders.

At the present time, the migrant crisis has yet to be resolved, and in the midst of a cold winter approaching, more migrants will flow into Europe, and perhaps spark a large-scale humanitarian crisis. Also, extreme right views are increasing in attacks on migrants.

3. Skeptical and Anti-European Member Countries

In the wake of Poland's recent presidential election, where the opposition party won, the EU ushered in the two countries that are the most anti-European, and the most suspicious of EU member countries — Poland and Hungary.

On September 27, Poland's Law and Justice Party defeated the current incumbent party, Civic Platform, and gained half the seats in parliament. The Law and Justice Party's prime minister candidate, Beata Szydlo, smoothly organized his cabinet and enacted independent rule.

The Law and Justice party is famous for its suspicion and lack of trust in the EU, recently opposing Poland's admittance into the Eurozone. Simultaneously, they toughly oppose Russia, and believe that NATO ought to adopt stronger measures against Russia.

This signifies Poland as a EU member country, will be controlled by a party that is nationalistic, and will not only oppose some of the EU's decisions (such as opposing foreign immigrants; party Chairman Kaczynski once stated that the Muslim world is a threat to Poland's Catholic society and way of living), but also because of its strong opposition to Russia, will cause a lot of headache for the EU. Briefly stated, Poland will bring previously unimagined difficulties to the EU.

Since the Hungarian Civic Alliance (Fidesz) has been in power in Hungary, Hungary has displayed anti-European sentiment. In 2010, the Hungarian government passed a new media law, which created some issues with the EU. In 2011, Hungary passed a new constitution and relative laws that also raised tremendous suspicion in the EU. In the same year, the EU initiated an investigation into Hungary's laws based on their violation of the EU's relative laws.

While EU-Russia relations have been relatively hostile and sanctions-based, Hungary on the other hand, has strengthened its relationship with Russia. Putin at one point,

accepted Hungary's invitation to make a state visit, where politically, the two countries made headway on natural gas conditions, and even signed a memorandum to cultivate nuclear-power personnel, trans-regional cooperation agreements, as well as educational and sanitization agreements. In light of this trend, Hungary became an anti-Europe, pro-Russia EU member.

In regard to the EU's agreement to allocate refugees, Hungary casted an opposition vote, stating that the refuge quota system is typical "moral imperialism", and that "Germany is forcing Europe to accept." The Hungarian government even gave an order to close the border between Hungary and Serbia, and this border is particularly important for refugees crossing into Europe.

4. The Ukraine Crisis

Since the outbreak of the Ukraine crisis in the spring of 2014, the situation even to this day is still evolving, and a resolution to the crisis remains elusive. The EU has used both soft (mediation) and hard (sanctions) methods directed at Russia, with challenges stemming as a result.

In February 2015, led by the efforts of German Prime Minister Angela Merkel and French President Francois Hollande, the leaders from Germany, France, Ukraine and Russia converged in the capital of Belarus, Minsk, to hold a second round of negotiations, which ultimately led to the Minsk Protocol, which in the legal sense was essentially a ceasefire.

In one aspect, the agreement partially eased tension in Ukraine's eastern region, but did not end the tense situation overall in Ukraine, and also did not produce a resolution to the geopolitical conflict between Russia and the EU.

In July, two rebel-controlled areas in Ukraine's eastern region were granted more autonomy by Ukraine's parliament. This was a limited concession to Russia.

In September the EU, due to the compromising of Ukraine's sovereignty, territorial integrity and independence, furthered sanctions against 149 people and 37 organizations in Russia, Crimea and the eastern Ukraine region. In addition, the EU prohibited them for entering the EU, as well as freezing their EU assets.

One can see that in light of the surrounding geopolitical catastrophe, the EU has adopted both aggressive and mediation-based methods in hope of protecting Europe's safety and strategic interests, while at the same time, using non-combative methods to continue applying pressure on Russia. However, neither method has changed Russia's stance, nor the lasting pressure being inflicted on Europe's safety.

5. Potential Conflict in Transatlantic Relations

Transatlantic relations are the world's sturdiest strategic alliance. However, besides security relations, a series of omens suggesting potential conflict may occur appeared in transatlantic relations in 2015.

First, in regard to the Asian Infrastructure Investment Bank (AIIB), the EU and the U.S. views on the subject are night and day. In October 2014, China invited the U.S. to become a founding member of the AIIB. The U.S. subsequently rejected China's proposition, while at the same time, lobbying its allies not to join.

However, in March, the U.K., Germany, France, Italy, Switzerland, Luxemburg and other European countries one after the other submitted official applications. This was a situation unexpected by U.S. officials.

Second, the U.S. and the U.K.'s respective Chinese diplomacy are not completely in sync with one another. On AIIB, the U.K., being a "special partner" of the U.S., took the initiative in expressing their wish to become an AIIB founding member country.

In October, the U.K. gave President Xi Jinping a grand reception on his state visit to the U.K., which elevated strategic partner relationships between the two countries.

After Xi's state visit, the U.K. government expressed on multiple occasions, their wish to become China's best friend in the West. This strategy is in stark contrast to the U.S.' containment strategy of China.

Third, in regard to the Ukraine crisis, the U.S. and the EU have differing policies. In 2015, Europe essentially adopted "hard-soft" measures towards Russia, but the U.S. has always implemented tough sanctions-based measures against Russia, while also assisting Ukraine militarily. Despite the U.S. and Europe adopting differing policies on Russia, neither actor has condemned the other or engaged in disputes. However, this has certainly affected both of them, especially Europe, and has led Europe to rethink its relations with the U.S.

The Underlying Causes Behind the Crisis

Besides sudden changes in the international situation, the five main crises and challenges Europe faced in 2015 mainly stemmed from pre-existing deep-rooted problems in the EU itself.

First, the EU's ability to make decisions is increasingly weak. The EU, on problems such as the Greek debt crisis and the refugee crisis, has not demonstrated strong leadership or the ability to resolve problems.

During the Greek debt crisis resolution process, due to Germany's position on loans - adhering to strict financial procedures and privatization measures, and France's on the other hand - advocating for slightly more relaxed aid conditions, when it was necessary for all parties to come together to effectively pass a vote in front of the European Council, the differences between Germany, France and other member countries instead led to an impasse on some issues. Ultimately, the European Council's resolution to Greece's delinquent debt problem was unable to be enacted in a timely manner, and the Council was unable produce a unified position on Greece.

The refugee or migrant crisis was also affected by this decision-making mechanism. Different member countries have implemented different relocation procedures and budget arrangements, and none have effectively resolved the inherent problem of the migrant crisis.

However, whether it's the Greek debt crisis or the increasing wave of refugee flowing into Europe, the problem cannot be resolved by a single entity or just a few countries. In fact, these issues require the EU to exhibit some leadership ability in making decisions. But, the EU has not shown the capability to take on this responsibility, which has turned the refugee crisis and the Greek debt crisis into longer lasting problems.

The rise behind anti-European sentiment is partially due to the EU's inability to make decisions. As a result of the EU not being able to protect each member country's sovereign interests, some member countries with special interests have sought to withdraw from the EU's restrictions, and to rely on themselves to carry out measures. The rise of European skepticism and anti-European sentiment, as well as the EU's inability to make decisions, have all turned into a type of mutual-reinforcing, cause-and-effect relationship.

Second, the EU and its member countries are severely constricted by their personal values. Subject to the EU's self proclaimed slogan of "normative power", the EU believes that from an ethical perspective, opposing immigration, especially refugees is politically "wrong" and unacceptable.

Simultaneously, the EU's longstanding multicultural doctrine in regard to immigration is based on respect for immigrants' religion and culture, which sees immigrants' culture as equal to that of Europe's. However, this has caused assimilation to become rather difficult, especially for an immigrant population that largely comes from regions with deeply held convictions in traditional Islam. Thus, the multicultural doctrine will not produce an assimilation effect.

Despite years of Europe contracting its immigration policies, the effects from supporting freedom of migration, the multicultural doctrine, and respect for immigrants' culture, values, etc., (including the existence of the Schengen Agreement), have turned the refugee crisis into a tumultuous situation in present day Europe.

Third, in the game of global geopolitics, the EU and the U.S. have different interests. While the Ukraine crisis lured the U.S., it is Europe that has become prey. Europe has been unable to obtain any practical benefits from the situation, and instead it has produced the opposite effect, worsening its security situation.

In addition, the U.S. pivot to Asia strategy in regard to China has no geopolitical benefit for Europe. Europe instead is more willing to strengthen its communication and coordination with China.

In view of this, whether it's the Ukraine crisis or Europe strengthening its relations with China, it all reflects the different interests Europe and the U.S. hold on various geopolitical issues.

Fourth, there is the backdrop of major powers declining, and a significant shifting of power. With European countries one after the other joining the AIIB, as well as the U.K. reinforcing relations with China, the EU and emerging powers' relations have increased substantially.

This strengthening of relations reflects the U.S.' decline as the West's major power, and China's rise as a burgeoning country.

Thus, Europe strengthening its relations with China signifies that the time of global power shifting from west to east has arrived, as well reflecting the West's stance in adhering to old forces in attempts to regain the initiative through internal unity.

However, The U.S. hegemony's squires have started to break away from its control, seeking to strengthen strategic relations with the rising world.

Challenges Ahead for The EU

First and foremost, the EU's decision-making ability is in serious doubt, which has affected confidence in integration. In the face of a grave and pressing internal crisis, and with the EU's decision-making ability continuing to decline, it will further weaken European's faith in the EU's capabilities, and thus shake the confidence of the EU to lead Europe into a successful integration process.

Nevertheless, quite a few men of insight plea for the masses to adopt an optimistic approach to the way the EU is handling current crises, and advocate for them to have faith that through managing such crises, the EU will become even stronger. Integration measures also continue to be brought up.

Nonetheless, the EU in its handling of the migrant crisis and the Greek debt crisis, have shown its inabilities, damaging the process of integration.

The drawn-out Ukraine crisis has caused EU to be unable to further its eastward expansion plan, and more significant integration measures. Through dialogue and collaboration, Germany and several other member countries' governments have produced results that have surpassed anything the EU has done so far. Europe's integration process will have to be digested by internal problems for awhile before continuing advocating.

Second, Europe's "re-nationalization" phenomenon will continue. With the EU's inabilities and migrant crisis as a backdrop, Europe's "re-nationalization" sentiment has already become a universal phenomenon.

While Europe handles its internal affairs, member countries are often first acting according to their own interests, and doing as they wish. Furthermore, extremist

parties and organizations in many of Europe's parliaments will continue to gain more support. With Poland's general election result being viewed as a nationalist victory, and Hungary's government in recent years displaying anti-European sentiment, these factors cannot be controlled by the EU's governments and parties, and thus will only reinforce the "re-nationalization" trend.

Third, the EU will have to confront the wide effects of differing cultures, and the expectation that extremist parties' powers will continue to rise. Nowadays, the large amount of migrants flowing into Europe have become an external test for Europe.

The majority of migrants come from areas in the Middle East, west Asia and north Africa, where they predominantly follow Islam, and although they bring labor and consumption to Europe, at the same time, they also bring a contrasting culture.

Christianity gave birth to European civilization, and the inherent friction between it and Islamic society will perhaps worsen as a result of the migrant crisis. This situation will give birth to more right-wing parties and social groups in Europe. Their clash with Muslims will worsen society's public order and universal community relations.

7. France Under Terror: Political Change and Emerging Crises

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At the start of 2015, no French citizen could have imagined that their country would have ended the year in a state of emergency. On New Year's Day 2015, President François Hollande, delivering his speech addressed to the whole nation, confidently declared "I opt for the future"; in a rare show of optimism, Hollande promised France that 2015 would be a bright and prosperous year. However, the situation in 2015 developed in the opposite direction, as France experienced a turbulent year.

The Terrorist Attacks and Change in French Politics

By the end of 2015, President Hollande gravely declared: "We are at war." Yet, the last thing France needs is war. Hollande's original platform was first and foremost to revitalize the economy and to reduce the unemployment rate.

France's shift in its international strategy is also noteworthy. During a forum marking the 40th anniversary of the foundation of the French Strategic Analysis Center, French Foreign Prime Minister Laurent Fabius had presented the objectives of France's international strategy and named climate change and human rights as the key issues and Africa and Asia as the key areas of France's international operation. The other major goals he stated included the construction of new international governance mechanisms.

These goals receded now into background as antiterrorism has become France's most prominent concern. Forgetting France's previous "quasi-Cold War" stand against Russia, Hollande quickly adjusted his position, and initiated negotiations with Putin in view of cooperating militarily to attack the Islamic State of Iraq and the Levant (ISIL).

Why did these terrorist attacks occur in Paris? The media and various experts all stated in unison that it's because of the large number of Muslim immigrants, high unemployment rate among the young population and the spread of extremism. All of these reasons are correct but fail to provide an entirely convincing explanation.

Other European countries also have a large number of Muslim immigrants and extremism does not just exist in France. Many jihadists who carried out suicide attacks come from middle class families with decent economic conditions. Many of the schemers behind the terrorist attacks in Paris lived in Belgium. So why didn't they carry out attacks in Brussels, why should they go to Paris to execute terrorist attacks?

Paris is the center stage of the world. It's a country with a high degree of medium visibility and action there is always immensely symbolic. Carrying out terrorist attacks there would shock the entire world.

It is easy to notice that ISIL has a specific strategy, quite different from other terrorist organizations. ISIL's strategy is based on modern media's tremendous ability to reach mass audiences and it is noted for its shrewd use of "eye-catching" imagery.

The death toll of the Paris terrorist attacks was roughly equivalent to that of a single plane crash. However because the attack occurred in an influential metropolis of the West and massacred ordinary folks, it had a profound impact on people's psychology which immediately created a chain reaction throughout the entire world. This is exactly what ISIL had wanted.

Thus ISIL, a terrorist organization with merely tens of thousands of fighters, became the West's and the whole world's number one enemy. ISIL won the strategic initiative, which caused France, a powerful country in the West, to change its international strategy.

Because of ISIL's attack on Paris and the broad exposure it gained, France subsequently had to alter its domestic policies and international strategy. This was truly unfortunate and the timing could not have been worse for France.

France's current government made an unprecedented move by placing foreign trade and tourism into its foreign ministry's portfolio and designating economy as its top priority. Strengthening its cooperative relations with emerging economies was also a fundamental feature of this move.

Ever since the 70s, every ten years France statistically loses one percent of its share in the international trade. Rising economies in Latin America and Asia have instead given faltering French exports a valuable opportunity to reverse the situation. But none of this is the top priority for Hollande's government now.

In the midst of an economic depression, where the necessary step is to cut down on government financial expenditures, the Hollande administration nevertheless announced that France had entered a state of emergency even declared that France was in a state of war. Hollande committed to doubling security and national defense expenditures and sent an aircraft carrier to the Middle East to participate in costly air bombing campaigns.

The reason behind this trend isn't because France's leaders believe that France's top priorities have changed, but it is actually because they are at the mercy of changing domestic politics and the shift in popular mood among the French people. Thus, they have no choice but to change course. The massacre in Paris produced a sharp turn in French domestic politics.

Normally on the margin of the political arena, the far-right political party, the National Front, has now greatly expanded its influence. Their platform was originally seen as a form of racism. For a long time, French people and political parties condemned and rejected the National Front as a misguided trend of political ideology.

However, pointing to the developing situation in France, the National Front could now stand in front of the French people and state that their previous warnings of danger were true. The National Front's opposition to immigration and hostile posture towards ethnic

minorities has gained approval by a large swath of French citizens in just a short period of time.

After the Paris attacks, Hollande announced a series of measures, of which the president of the National Front, Marine Le Pen, expressed approval. The National Front's support of the policies of France's socialist party is something that would be hard to imagine in the past. Consequently, this indicates that the National Front's political direction has become the current norm and lead the trend in French politics.

In French political world, most politicians are focusing on the 2017 presidential election. During the time of crisis, in order to display unity amidst a national tragedy, a president's approval rating will inevitably go up. After the Charlie Hebdo attack, the same trend occurred in people's sentiment. However, this type of crisis effect is unsustainable in the long run.

In the coming year, the currently ruling socialist party and the opposition Republican Party all know very well that whether they win the election in 2017 or not will be based on how they echo the anti-immigration and anti-Muslim sentiments and how they respond to questions of societal insecurities, in a word how they could attract pro-National Front voters.

To put it bluntly, ISIL's terrorists produced a virtual vote for the right-wing parties. The emotional aspect of the attacks would allow the National Front to gain a broader popular base, further the acceptance of this party as a normal one and expand its influence in European parliamentary and local elections.

That is to say, French politics will become even more right leaning. The two main parties have no choice but to pander to the desires nationalism has created among voters. Stopping the National front that is marked by racism, which is their common slogan, and winning over National Front sympathizers are however their common strategy.

In this respect, the right-wing Republican party has more room for maneuver, while the socialist party would almost certainly be reduced again to being an opposition party.

Is France Facing A New Crisis?

Although one cannot say France's current situation is completely overwhelmed by internal and external troubles, the atmosphere is quite depressing. The universal belief is that France faces a new crisis, but what type of crisis is this exactly? There are many contrasting views concerning this particular question.

ISIL-led terrorist attacks produced a strong emotional reaction in French society, but the terrorist attacks are not the real challenge France faces. Antiterrorism is after all the responsibility of France's intelligence apparatus and antiterrorist police and these forces are in fact of high efficacy.

Islamic terrorists do not have the capability of driving France's domestic situation into an abyss, because they do not have notable backing from French society. French society obviously opposes radical Islam and the majority of France's Muslim population does not support this type of radical ideology.

In contrast to the Algerian War of Independence that France waged in the late 1950s that led to chaos and the 1968 students rebellion movement, these radical Islamic terrorist attacks have no support from any layer of the society and there is not even a universal ideological trend to act as an impetus. France is currently facing another crisis that has deeper sources with both new and old elements.

First and foremost, France lacks high-caliber political leaders. From a broader perspective, the overall level of French political leadership has dropped dramatically. French politicians in current age are unable to provide powerful political leadership that the country needs.

From the founding of the Fifth Republic until the 21st century, France's previous presidents all had a world vision. They were politicians with a sense of responsibility for the historical standing of the French nation, the most prominent among them being Charles de Gaulle.

The de Gaulle government was unpopular amongst French citizens. De Gaulle actually lost in a referendum vote. Yet before he resigned from office, he was able to enact and implement some ideas and policies that were perhaps against the will of the people yet were good for France's long-term interests.

De Gaulle formulated his "Gaullism" for France. For example, in the midst of East-West rivalry, de Gaulle was determined to follow his own path. On international affairs, he maintained the right and ability of a major power to act independently, consolidating France's international position after World War II.

De Gaulle's successors all tried to pursue Gaullism, including even his political opponent, President Mitterrand. A classic example of Gaullism in French diplomacy was when all the other Western countries unilaterally sided with U.S. President George W. Bush in invading Iraq, French President Jacques Chirac publicly opposed it, demonstrating courage and foresight in the midst of overwhelming support for the war.

But ever since Sarkozy came into power, Gaullism has been abandoned and instead Sarkozy adopted Atlanticism, moving closer to Washington and strengthening ties and cooperation with the U.S. on diplomatic and military matters as well as forging alliance relations.

Hollande has also carried out similar policies. Thus France has lost a clear or unique voice on international affairs and French diplomatic policies and international strategies now lack a coherent and forward-looking global approach.

Currently, French political thinkers have begun a plea for a return to Gaullism, which suggest that more and more people in France have noticed this problem.

Second, after WWII, the cornerstone of French international policy has been France and Germany's joint effort to build the EU. This cornerstone today has been shaken. For quite some time, France has played well its leading role in the EU to claim a great power's position. Every step along the way of the EU's construction has borne the mark of French ingenuity. Western media often referred to the EU as a system where France comes up with idea and Germany provides with the money."

Yet, the EU's developing period has ended. The Greek debt crisis and the more recent Syrian refugee crisis have ruefully exposed the EU's weaknesses. Old Western European member countries and newer Eastern Europe member countries have shown an inability to coordinate. Concomitantly to this discord are the U.K.'s estrangement and the continuing growth of Germany's exceptional power, which have created many difficulties for EU functioning.

The EU's future prospects remain unclear. In the past, one would often be certain of France's ability to promote its own goals on governance of international affairs through the EU. This ideal situation will never happen again.

The changes in French domestic politics, the "Euro-skeptics" and "anti-Euro" factions in the left and right parties and their victories in regional and European parliamentary elections have reduced France's ability to push forward EU progress. France's current policies on the EU face many obstacles. Thus strong political leaders are needed more than ever in order to make the necessary decisions.

Third, France's economic institutions and international strategy both require deep reforms but the situation at the moment is not ideal for action. The prospect of the upcoming presidential election in 2017 has led French politicians to tailor their

platforms to the dislikes and likes of voters. Politicians are generally shaping their views based on the result of public opinion polls.

This often leads to short-sighted policy programs, rather than to the implementing of long-term reform policies. In France's political arena, there is not a single politician with the foresight and the determination to go against the grain and push forward unpopular reforms for France's most fundamental needs. These factors add to the uncertainty of France's future prospects for development.

Nonetheless, one cannot rashly conclude that France is declining or that in international affairs France is simply not important anymore. Average French citizens and political analysts tend to exaggerate France's current predicament. The permeation of the global sentiment of pessimism makes it easy to neglect some basic facts.

France is still the world's fifth largest economy, right behind the U.S., China, Japan and Germany; France's labor productivity is second only to that of the U.S., higher than any other country in the EU and higher than that of Japan; France's industries, and its science and technology R&D can still boast of the world's best innovative abilities. A number of French global enterprises still remain strongly competitive. In the fields of science and technology, France still is the world's best, especially in military technology, transportation, nuclear energy, aviation and naval technology, etc. Even Russia has to purchase naval ships from France.

France's labor force is younger than that of the rest of the West world and France is one of very few countries where the socioeconomic gap in the society has not worsened. What's more, with respect to soft power, France is still a cultural hub of the world and has a rich historical heritage and a high standard of living, which has made France one of the most attractive countries in the world.

Lastly, France is a permanent member of the UN Security Council and a country that possesses nuclear weapons. On the international stage, France is still a strong and influential voice.

Considering the aforementioned factors, China should continue to develop its relations with France. Not only in the diplomatic field but also in political relations, China needs to develop its popular and official exchanges with France. This will consolidate a reliable foundation for China-France relations in the future. For the purpose of expanding Chinese influence in Europe and the world, France remains an exceptionally significant country.

8. Germany in the European Crisis: A New Role and Diplomacy Shift

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German Chancellor Angela Merkel was named by Forbes magazine the World's Most Powerful People in 2015, surpassing Putin and Obama, who finished second and third respectively. Merkel became the first female chancellor in Germany in 2005, and she has been in power for ten years. The Ukraine crisis, the Greek debt crisis and the refugee crisis that have been very cautiously managed by Merkel have contributed to help her as the most influential politician in Europe. Indeed, Merkel's strong position in international politics has been strengthened by her decisive actions, and is also inseparable from Germany's rising status on the international stage.

Germany's New Role: Leadership in International Affairs

Because of the two World Wars, German citizens had for historical reasons been unwilling to accept Germany's role as an active political power. Since the European debt crisis, Germany's position in Europe underwent various changes. Germans increasingly became more confident towards Germany's new role. German Defense Minister Ursula von der Leyen stated during the Munich Security Conference (MSC) in February 2015 that Germany was ready to assume a leading role for a solution to international crises. From reunification – act by which Germany regained full sovereignty - up to its new role as being a leading power in the international affairs, it took Germany 25 years.

Former U.S. Secretary of State Henry Kissinger stated once that Germany would play a more important role in the future. In fact, since reunification, as a great power in the middle of Europe, Germany is due to take a more important role in diplomatic affairs. With the European debt crisis, the Greek crisis, the Ukraine crisis and the refugee crisis Germany was urged to assume responsibility in the center stage of the European political arena. During the crisis in Ukraine, where the EU accomplished nothing, Germany was offered a favorable opportunity to assume political leadership.

The evolution of the crisis in Ukraine showed some inefficiency in Europe's security system. Before the political crisis became a military one, the EU tried, on many occasions without U.S. involvement to resolve the problems peacefully, without much success. In the early stages of the Ukraine conflict, due to lack of an appropriate coordination, the EU was unable to reach a fair solution. As a result of a serious lack of meaningful common diplomatic and security policies, the EU's ability to manage the conflict was severely limited. Due to its geographical central position in Europe, Germany's acting as a leader on the Ukraine crisis was almost inevitable. The other Continental European countries placed also high hopes in Germany to find a peaceful solution to the Ukraine crisis.

However, in the face of the most severe refugee crisis since World War II, the EU and its member states proved to be unable to find a solution to these problems. As the refugee crisis evolved, Europe, which is a community of common values, became divided on many issues. Because of its relatively liberal refugee policies and its high-level standard of refugee relocation procedures, Germany became the first choice for political refugees, and so inevitably the focal point of the refugee crisis. In contrast to other EU member states, German society at the beginning had a welcome approach to the refugee crisis. Due to the pressure created by competition from other political parties, Merkel began to support an "open-door" refugee policy, clearly stating Germany's intention of accepting Syrian refugees.

It is worth mentioning that Germany is on the way to be a selective "leadership power" in international affairs. That is, sometimes participate and sometimes observe. In the words of German president Gauck, "Do what we need to do, and do what we must do." German Foreign Minister Frank Walter Steinmeier set it even more bluntly, "The problem is not whether we should be involved, but rather when and where we should be involved." During the Munich Security Conference in 2015, Von der Leyen gave a speech called "leadership from the centre". This so-called "leadership from the centre" comes more from the "middle". From a geopolitical perspective, Germany is located

at the “middle zone,” that is to say, between the U.S. and Russia. From a comprehensive national power perspective, Germany is a “middle power”, and from an international affairs viewpoint, Germany seeks political solutions in a “middle way”.

Shift in German Diplomacy: Opportunity and Challenge

From “middle power” to “leadership power in international affairs”, Germany’s changing role in diplomacy occurred much quicker than anticipated. This is because certain beneficial conditions were given.

The first essential precondition was the support of the U.S. in Germany’s foreign policy adjustment. While the U.S. has gradually shifted its strategic focus toward the Asia-Pacific, the U.S. hoped that Germany would assume more responsibility in security-related issues in Europe and its surrounding areas.

Second, Germany and France have intentions to increase cooperation on the field of diplomacy and security matters. Balance is an important condition in cooperation between Germany and France, which is the engine behind European integration. Since the European debt crisis, France’s economic recovery has stagnated which made the economic asymmetry between the two countries even bigger. In terms of EU internal reforms there are strong differences between the two countries. In order to ease relations, France and Germany intend to strengthen cooperation in other fields such as EU diplomacy and security policy.

Third, some neighboring countries hope that Germany will assume more responsibility in security policies. In comparison to other major countries like the U.K. and France, Germany is cautious in showing of its strength. Polish and Israeli politicians have expressed hope that Germany should use its force. Related to power politics, they are more worried that Germany would stay inactive.

Fourth, Merkel in her third term as chancellor built the third grand coalition government (conservative – social democratic parties) in German federal history. She gained a 4/5 majority in the German Bundestag, which presented the opportunity to conveniently amend the constitution, and implement major policy changes.

Although German politicians have on several occasions expressed that Germany in assuming more global responsibility, it does not signify the militarization of its foreign policy. Yet, regarding the Syrian crisis, the German government has adopted two major actions. First, Germany provided weapons to the Kurds in northern Iraq to assist them in their fight against ISIL. This is the first time in German modern history that Germany provided weapons to a war-involved region. Second, after the terror attacks in Paris, Germany decided to send troops to Syria in order to support France and its allies in combating ISIL. These actions give Germany a new dimension in its foreign policy.

Whether Germany is able to assume a larger leadership role in international affairs, faces also several obstacles. The long lasting and complexity of the current crises hide serious political and economic risks. The biggest-complication arising from taking on a leadership role comes from its lack of military strength, public opinion and the pressure of the U.S..

First, the pillar behind Germany's foreign policy is politic and diplomacy, not military. Although Germany relies on its economic strength and belongs to the world's strongest countries, it does not have the military capacity to intervene in global crises.

Second, assuming more responsibility on the international stage is not just something Germany has to coordinate with its partners, but it is also necessary to win approval from the German public. 2015 marked the 70th anniversary of the end of WWII. In the midst of Germany's role change in foreign policy, German people gave a clear message: don't repeat history, don't do it alone, and negotiation comes before the use of force.

Third, the most important test for German leadership is on how to find a balance in the relations between the U.S. and Europe and how to uphold the transatlantic partnership. Von der Leyen emphasized that Germany seeks to “lead” and not to “dominate”. Merkel also emphasized that the relationship between Europe and the U.S. is still more important than any other relationship, despite disagreement on certain issues.

Germany’s Test: Change in The External environment

Regarding the changes in the international strategic situation in 2015, the external conditions of Germany’s role adjustment are shifting from positive to negative.

First, due to the events unfolding during the Ukraine crisis, the relations between Germany and Russia have started to deteriorate. During the crisis, some in the EU advocated for more cooperation with Russia, some others for a stronger transatlantic partnership. At the end, the later gained the overhand.

Second, Germany is stubbornly persistent in its ways in handling international crises, which worries the U.S. The U.S. has supported Germany’s change in diplomacy in the very beginning. With respect to Germany’s reserved approach to Syria and Libya, the U.S. hoped to see a Germany that will go beyond its militarily restrained “civil power” (Zivilmacht) and call for military intervention. On the issue of the Syrian crisis, Germany has always maintained a certain distance from the U.S. positions. In September 2015, the U.S. and France demanded that Syrian President Bashar al-Assad to step down, yet Germany proposed a different political solution, which included the option for the al-Assad government to remain in power in order to negotiate with other parties. In respect to Germany’s leadership in the peace process in the Ukraine crisis, the U.S. was ambivalent. In one aspect, the U.S. wishes Germany to take on responsibility on European security matters. On the other hand, the U.S. cannot accept Germany’s moderate pragmatism. Germany first hesitated on whether or not to impose sanctions against Russia, and then opposed Ukraine’s

membership to NATO. While the U.S. lost patience, and made the necessary preparations for military intervention, Germany once again opposed to this plan, openly rejecting the U.S. solution.

Third, EU member states have differences on handling refugee policies, which has caused a deep split in Europe. Since the 2009 financial crisis, calls for anti-integration have emerged, and the refugee crisis only exacerbated this trend. Although Germany has always emphasized a Europeanized Germany and has avoided individual decisions, trying to coordinate the different interests of the EU member countries without much success. The EU debt crisis has slowly calmed down, but the main problem of lack of trust among the EU member states has yet to be resolved. As the two most important member countries in the Eurozone, France and Germany are closely related and mutually dependent on questions of austerity and growth, and yet they cannot reach a common solution for these problems. The U.K. on the other hand, and its threat of Brexit, has forced the EU to enact reforms according to their wishes. The main reason behind Germany sending troops to Syria was to show solidarity with France. If Germany does not stand on the side of France while attacking ISIL, it would be rather difficult to reach common solutions on the other critical issues in the EU.

On the other side, while Germany had ignored the opinions of other European partners concerning the refugee coordination at the very beginning and its openly welcoming manner is believed to be the main cause behind the worsening of the refugee crisis. On refugee allocation, some countries such as the U.K. and Middle Eastern countries insist to their own national standpoints, making it difficult to reach a common solution. The internal differences on the refugee crisis became the biggest threat to EU integration. After the terror attacks in Paris, Poland and other countries announced that they would stop enacting any EU refugee allocation solutions. At the same time, Germany's inner ruling coalition has started to split on the issue of the refugee crisis. Thus, Merkel's authority within her party has been fragilized.

Germany having a leading role in international affairs means it has to act rather as an international crisis manager and transcultural arbitrator. Regarding the complexity of debt and refugee crisis, the situation in Europe will continue to be difficult for a long term. Being the largest economy in the EU and the country that received the highest number of Syrian refugees, it may depend on varied factors, whether or not Germany is able to strengthen the cohesiveness among the EU member states, and guide the EU through the debt and refugee crises.

9. Abe Risk 3.0: Old Cruxes and New Variables

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In 2015, Shinzo Abe was appointed as the Prime Minister of Japan for a third term, and even though lingering issues in Sino-Japanese relations have been somewhat mitigated, an effective reconciliation has yet to be reached. Moreover, both Abe's domestic and foreign policies have not only brought new risks to maintaining peace, but those risks have been upgraded to version 3.0. In recognition of the importance of the above mentioned facts, I have produced my objective assessment.

First and foremost, in the realm of security, the Abe risk has rapidly swelled. Following the Japanese government's resolution in April of 2015 to lift the ban on the right to collective self-defense the Japanese government, in conjunction with the U.S. government, released a new version of the American-Japanese Defense Cooperation Guidance, which included the termination of the aforementioned ban on the right to collective self-defense.

Later, Abe tried to once again forcefully push the new security bill through both the House of Councilors and the House of Representatives, and in this manner tried to enable the relevant domestic laws to be consistent with with both the performance of the right to collective self-defense and the new version of the "American-Japanese Defense Cooperation Guidance". As a result, the purely defensive strategy that Japan had been implementing since the end of World War II finally came to end, and Japan's time to engage in a more offensive military role in the world became a reality.

Second, in regard to the economic sphere, after Abe was re-elected as the Chairman of the Liberal Democratic Party (LDP) in September, he emphasized that Abenomics was already entering its second phase. Furthermore, he announced new platforms like the so-called "three new arrows" in order to achieve the so-called "100 million Active

Society”. The so-called “new arrows” include the following: strengthening the economy, improving children’s healthcare, and expanding welfare benefits.

On October 5, the long-delayed Trans-Pacific Partnership (TPP) announced the conclusion of a basic framework agreement. Abe emphasized that the TTP agreement doesn’t reflect the success or failure of Abenomics, however, it signifies that Japan and the U.S. shall lead the formulation of future rules and regulations regarding the global economy. Amidst this agreement is the concealed fact that these rules reflect a notion to restrict Chinese political interests.

In regard to historical issues, on August 14, the Cabinet of Japan published a comparison of Abe’s remarks and former Prime Minister Tomiichi Murayama’s remarks from 1995, which widely viewed Abe’s remarks as insincere. Abe failed to use important events, such as the 70th anniversary of the end of World War II to capitalize on a reconciliation opportunity with neighboring countries South Korea and China, with which it has historical disputes.

The Sudden Increase of Insecurity Risks

The Abe administration’s security bill included three significant characteristics: deception, double-sided goals and a risky path forward, and thus the “Abe security risk” became much more prominent in 2015.

First, Abe’s initiatives regarding the transformations of security concepts and policies have invoked suspicions and doubts on both the domestic and international level as to whether Japan can continue taking the peaceful path. In regard to this question, Abe emphasized that security increases are Japan’s reaction to significant changes in the international sphere. Furthermore, Abe stated that it’s time for Japan to alter its post-war “negative pacifism” policy into a positive policy which is going to promote global peace and stability.

This so-called active pacifism policy on one hand reflects the traditional heritage of pacifism, and on the other hand, it also mimics the current situation. In reality, the essence of Abe's policies and incentives is that Japan will, once again, be able to wage an overseas "preemptive" war, and it is therefore in clear opposition to the pacifist constitution, and the exclusively defense-oriented policy which is rooted in a true pacifist constitution.

In addition, this will only lead Japan down a road filled with uncertainties and dangers in the future. Therefore, the Abe risk 3.0 will have a largely negative influence on Sino-Japanese relations, as well as negatively influencing regional and world peace. Moreover, in practice, it has replaced Japan's post-war pacifistic nature into a deceptive illusion of pacifism.

Secondly, Abe's seeks break the shackles in regard to security imposed on Japan by the post World War II international order, and help Japan become a so-called "normal country". However, since Japan's defeat in World War II, it can only achieve this goal through a bilateral alliance with the U.S. Thus, the idea of lifting the ban on the collective right to self-defense became a part of the new version of the American-Japanese Defense Cooperation Guidance in order to achieve the mutually obligatory Japanese-American alliance.

This symbolized an important step towards the goal of achieving a "normal country". But this was a method only used by Abe as a representative of Japan's right wing in order to achieve the above mentioned demands. From a long-term strategic point of view, the ultimate goal is to turn Japan into a world power, which is not controlled by the US, and cement its postwar status. Therefore, it is clear that the security bill is double-sided, which is one of many characteristics of the Abe risk 3.0.

Third, Abe's security policy is clearly directed towards China. There are a few ways this is achieved. One of them is through controlling domestic opinion, traveling across the globe enforcing the so-called "diplomatic globe policy", and constantly updating the "China threat theory". The emphasis of this year's China threat theory was the island expansion in the South China Sea, claiming that China is trying to change the

world status quo and destroy free maritime navigation by employing force, therefore endangering Japan's security.

Thus, they use abovementioned reasons to justify as “necessary” and “rational” the forceful push of the security bill that abolishes the ban on collective self-defense. Thus, China is naturally bound to become the imaginary enemy of Japan. This year, Japan continued to increase its military spending, frequently carrying out a variety of military exercises which included outlying island exercises, adjustments of military deployment, and the sale and development of more military equipment.

This is nothing but deliberate behavior with grave consequences, and is not based on facts, but instead on subjective assumptions. One of the reasons why this is dangerous is because it could erode the already weak political and military trust that has been built by numerous generations of leaders in these two neighboring countries, which will inevitably increase the risk of conflict.

Abe-Economics Trudges Along

Abenomics is still having a lot of difficulties, and the “three new arrows” are widely considered as vague propaganda which seeks to divert public attention. The TPP agreement's effect on the Japanese economy is yet to be assessed and verified.

However, the TTP will create certain conflicts within the Regional Comprehensive Economic Partnership (RCEP) with respect to relations between Japan, China and South Korea. In 2015, the economic cooperation between China and Japan already steadily declined.

Monetary easing, fiscal stimulus, and other new growth strategies were all starting points of Abenomics' “three arrows”, which had mixed results after being implemented for more than two years. Even though the success of Abenomics was verified by the government, including moderate recovery in the Japanese economy, the general public's recognition of such an achievement is quite low.

In the second and the third quarter of this year, the Japanese economy declined, which is bad news for Abenomics. After Abe's reelection as the chairman of the LDP in September, he announced the second phase of Abenomics, and promoted the so-called three new "arrows", which consisted of strengthening the economy, improving child-care support, and expanding social welfare benefits.

Likewise, Abe also introduced a new policy to build an active society of 100 million people. However, public opinion widely regards these platforms as vague, and nothing more than the same old stuff with a new label.

Critics of Abe's announcements claim that he is trying to divert public attention in order to improve his approval ratings, which decreased after forcefully pushing through the new security bill. Furthermore, they argue that by doing this he is hoping to increase his chances in the parliamentary elections, which are set for July of next year.

Abe viewed the TPP as an important aspect of his "three arrows" policy, especially after the TPP finally reached a basic agreement in October of 2015. However, in order for the TPP to take effect, it first needs to be ratified by the Parliament of 12 states, which would take approximately two years.

Secondly, a Japanese consensus on agricultural negotiations are taking longer than expected, and at the same time, the U.S. transitioning period regarding the reduction of taxes in the Japanese auto industry is also requiring a lengthy amount of time. Thus, what benefits does the TPP actually bring to Japan? The TPP benefits have yet to be seen.

However, there is no doubt that the TPP agreement will impact the RCEP negotiations, and that it will create new variables to the Sino-Japanese-South Korean trilateral FTA negotiations. The U.S. and Japan are already trying to use the TPP agreement

institutions to impose restrictions on China, and its potential negative effects should not be underestimated.

In 2015, the Sino-Japanese economic situation was generally stable, but it has started to decline. Aside from the economical reasons per se, the political trust and disputes on historical issues have also had negative impacts on the economic cooperation between the countries in the region. This is yet another undisputable fact that demonstrates how the Abe risk has brought negative energy to Sino-Japanese economic cooperation.

Abe's Remarks: Neither Advance nor Retreat

The main problem with Abe's remarks is that they lack sincerity. Also, historical revisionism is intensifying amongst Japanese political circles, and the nature and performance of the Abe risk in respect to historical disputes is in complete contrast to Japan's postwar goals and is self-defeating.

This year's 70th anniversary of the end of World War II was a historical opportunity for Japan to reconcile with China, South Korea and other neighboring nations. The focus without a doubt was Abe's remarks that were representative of the Japanese government's political stance.

The key crux of historical disputes rests on whether or not Japan acknowledges its history of invasion and colonial rule, feels remorse, and is willing to apologize. Words such as 'invasion', 'colonial rule', 'remorse' and 'apology' are all components of the official lingo of Abe's remarks.

However, in reality, he deliberately discussed Japan's past colonial rule and history of invasion in an abstract and unspecific way, and his apology and subsequent remorse were similarly vague. Therefore, the main problem regarding Abe's remarks are lack of sincerity, and that he is only playing with words to cause confusion. Furthermore, if we were to compare Abe's remarks with Murayama's remarks, a clear setback is

noticeable. Naturally, Abe's remarks have caused much dissatisfaction and criticism in China, South Korea and other neighboring countries.

When the Chinese government was organizing the 70th anniversary celebration of VJ-day, the Japanese government deliberately boycotted, and criticized UN Secretary General, Pan Ki Moon for participating in the event, which only reconfirms Japan's insincerity. Japan also obstructed and discredited China's measures in every possible way for including the comfort women from the Nanjing massacre comfort as part of the World's Cultural Heritage and other legitimate initiatives.

However, at the same time a large number of parliament members and other government officials continue to visit the Yasukuni Shrine, and Abe himself also paid a visit as prime minister. Recently, the LDP once again revised the International Military Tribunal for the Far East [Tokyo Trial], and the issue of comfort women. From the above-mentioned facts, it is not difficult to notice Abe's intensification of historical revisionism in political circles.

Abe's risk regarding historical disputes has not only severely hurt the national feelings of invaded countries, but has also had a negative impact on the political trust and economic cooperation between Japan and such countries. Not to mention that it also inflicted damage on the pursuit of moral justice. Thus, in essence, we can say that Abe's remarks and the true goals of postwar Japan are completely contradictory.

Sino-Japan Relations: Waiting for A New Spring

In 2015, Sino- Japanese bilateral relations were still grim, however, the window of opportunity for improvement does still exist, and is continuing to expand.

Abe's Chinese diplomacy was still the same routine in 2015. In the fields of international relations, diplomacy and security, Japan has closely cooperated with other relevant countries led by the U.S., in order to maximize checks and balances over China. On the other hand, due to the demand for natural resources, and in order

to maintain the current regime's power at home, Japan reverts back to pragmatism in hopes of cooperating with China on economy and trade. According to Abe, one could say that the former is clearly a goal, whereas the latter is a political tool.

Therefore, balancing these two concepts, and establishing an equilibrium is usually manifested in Japanese diplomacy towards China. For example, after the announcement on the end of the ban on collective self-defense, it subsequently became part of the new version of the "American-Japanese Defense Cooperation Guidance". Later, the new security bill was forcefully pushed through parliament.

This invoked severe tension in the political relationship between China and Japan, and yet at this time it was common to see large delegations of Japanese economists coming to China, or Japanese politicians that might include a representative from the Komenito party (the ruling coalition) to arrive for talks with China.

Abe himself does not miss an opportunity to organize a summit. This type of "hedging strategy" clearly reflects the two sided and contradictory nature of Abe's diplomacy towards China.

The way that China has coped with these events is by maintaining the status quo in spheres of diplomacy, security, and historical understanding. Essentially, China has chosen to adhere to original doctrines. With respect to economic cooperation, China has decided to take an active promotion policy in order to enhance the welfare of citizens of both countries. Aside from that, China seeks to be flexible in coping with other relevant issues.

Thus, at the end of 2015, aside from reaching a consensus regarding the four principles, leaders of both countries managed to meet each other during various summits. President Xi also plans on meeting with Prime Minister Abe at this year's International Summit, which is to be held in Jakarta.

At the same time, the trilateral talks between leaders of China, Japan and South Korea, which were suspended for the last three years, are slated to restart again this year. The aforementioned context provides the necessary conditions to reshape the political foundations that are necessary in order to resolve differences, manage crises, and deepen economic and trade collaboration.

In the wake of interactions between the heads of state, exchanges of the two governments on various levels and liaison mechanisms, there will either be more of the same or an actual opportunity for starting anew after 2015.

At the same time, both countries attach great importance to Sino-Japanese cooperation within the multilateral framework. It could be said that the cold days of winter are behind Sino-Japanese relations, and in the wake of a window of opportunity, both countries can bring in spring with improved bilateral relations.

10. Is the Modi Wave Finished?

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Since Indian Prime Minister Narendra Modi came into office in 2014, a “Modi whirlwind” opened up in India and abroad. Prime Minister Modi has proposed many reform proposals, energizing confidence at home and abroad in India’s economy, with people referring to him as the “Indian Deng Xiaoping”.

After one year however, Modi faces challenges both domestically and globally, which begs the question: is the Modi wave that hit India and the international community finished? In a word, Modi’s public favorability is limited, as he faces political, economic and religious challenges ahead.

Political Fragility: Weak Foundation and Immense Challenges

Modi’s public support is actually quite limited. It’s one of the smallest majorities in Indian history. India is a country with many different nationalities, religions, castes and cultures. Due to cultural fragmentation, any party or politician inevitably has a difficult time leading.

In May, 2014, the Modi-led Bharatiya Janata Party (BJP) won 282 seats out 545 in the Lok Sabha, the lower house of India’s Bicameral Parliament. In all, they occupied 51.9 percent of all seats, the first time in decades a party occupied more than half the seats. However, the BJP only won 31 percent of the public vote, which means that although Modi won the election, his public base is not necessarily robust. People who are anti-BJP and anti-Modi far outnumber those who support him.

Political loyalty in Indian society has a short shelf life. While loyalty isn’t sturdy, it is far less impactful than the caste system, where public opinion is easily influenced. In May 2014, Indian elites discussed how Prime Minister Modi would govern in the next decade. Yet in late 2014, during the Jammu and Kashmir Legislative Council

elections, a declining trend began to emerge as the BJP produced no breakthroughs on religious lines, and half of their goals remained unaccomplished.

In February 2015, the BJP and the “Modi Miracle” seemingly began to lose some of its magic when the BJP suffered a crushing defeat in the Delhi Assembly elections. People have begun to discuss whether Modi will win his second term in office. This is mainly because Indians do not possess a passion for politics, and lack political patience. They wish reforms to produce immediate effects, and aren’t willing to give reformers the proper amount of time needed.

Modi has been prime minister now for over a year, but many of his reform measures haven’t officially begun. Even though he has ignited a seven percent growth rate in GDP, exports however are down, the manufacturing industry has stalled, and the unemployment situation is not good. This situation was in contrast to many people’s expectations.

The second reason is the inherent political imbalance in Indian society. Indians have already agreed to give the central government to Modi and his party’s leaders, but they are not necessarily willing to give regional government control to them, hoping to avert another Jawaharlal Nehru figure who acts arbitrarily.

This sentiment has a clear reflection in Delhi, India’s capital city. In the 2014 Lok Sabha election, BJP gained all of seven seats in Delhi. However, in contrast, in the February 2015, the BJP only gained three out of 70 seats in Delhi’s Assembly.

Thus, Modi is always facing significant domestic political challenges. First and foremost, Modi faces tremendous challenges from the opposition party, the Indian National Congress (INC). Even through the INC lost in the Lok Sabha elections, they still maintain the majority in the Rajya Sabha, the upper house of India’s Parliament. Therefore, even though INC lost legislative power, it still enjoys substantial veto

power, which makes it difficult for any BJP reform measures to pass through congress.

Prime Minister Modi's three most notable economic reform measures are to reform the "Labor Law", the "Land Acquisition Law" and the "Environment Law", which all stumbled in the Rajya Sabha, after a significant push from Modi.

Thus, Modi can only request approval from the president, and issue executive orders. However, executive orders only have a six-month validity period, and a total of six executive orders have already expired. To make matters even more difficult for Modi, the president himself is an INC member, who does not share the same enthusiasm as Modi for his reform measures. On many occasions, he has openly stated that he will not sign any more executive orders.

The BJP wishes to control the Rajya Sabha. By the most optimistic projections, they'll have to wait until 2017. However, by that time, Modi will have already spent half his term in office, and will have to start preparing for another round of campaigning. The time remaining for his reforms is running out.

Secondly, increasing public pressure and identity shifts has created serious challenges for Modi's government. In opposing other parties, BJP can gain support and publicity by criticizing the INC. But as soon as the BJP begins governing, they also become the source of much criticism, which aggravates the public opinion environment.

Many farmers and workers are potential victims of the Labor Law's proposed reforms on agricultural. As such, many dislike the Labor Law, and some have actively resisted it. Business circles on the other hand, believe that Modi's reforms are too slow, and are insufficient for their needs.

In late August 2015, the upper-caste and long-term governing Patel family of the Gujarat State, engaged in a large-scale protest, demanding that the government include them in its favorable policies and benefits.

On September 2, 2015, 150 million Indians began striking across various regions in India. Many took to the streets and vehemently protested the government's amendments to the Labor Law. In the face of overwhelming pressure, Modi had no choice but to compromise, and eased some reform measures that had not officially started.

In addition, the interests and positions among Modi's support groups are different and mutually contradictory. Some of the people who took to the streets and protested were firm Modi supporters. Modi's supporters are divided into three main groups:

First, India's west coast and overseas business people want Modi to change the current business environment, hoping to gain more benefits in India's developing economy. These people wish for India to continue the secularization route, and further massive economic reforms, especially eliminating restrictions imposed in the Environment Protection Law, the Labor Law and the Land Acquisition Law. This would give India's business community more available land, more land to use, and more people to hire.

The second support group is the well-educated in urban areas, and the middle class. These two groups want more efficient societal governance, a faster-growing economy, and a stronger employment environment, which would offer higher living and working standards.

Third is India's religious conservative group. They wish for a great Indian revival under Modi's leadership. They hope for a one-country, one-religion dream for all of India, and ultimately, once again mold India into a great Hindu country, and a united national consensus.

They hope to use the ruling BJP as an opportunity to promote Hinduism, and advocate for other religious groups to “return” to the embrace of Hinduism. For this goal, they even organized a “Ghar Vapsi” (go home) campaign. Currently, the conservative religious groups in India are trying to actively promote the Hindu way of life, like yoga and being vegetarian, which are the backbone of India’s religious and ideological makeup.

Thus, within Modi’s support groups, some focus on societal order and security, while others care more about economic reforms. Some focus on secularization characteristics, while for others, religious transformation on the national level is of utmost importance. All these groups work hard to sway Modi’s policies, and pull him towards their individual interests. Because Modi does not want offend them, his political freedom in this regard only shrinks.

Lastly, Modi also face obstacles from regional political forces. The May 2014 election was previously believed to be the beginning of the end of India’s political fragmentation; many people believed that Modi would be able to escape the entrapments of regional political parties. But after a year of centralization, signs of fragmentation have once again appeared in Indian politics.

Although the BJP has carried strong momentum, it wasn’t until after its defeat in the Delhi Assembly elections, that it became apparent that its achievements and Hindu nationalist notions are not being accepted by the urban middle class.

Although the INC’s influence is fading, they still however pose a significant challenge to the BJP in certain states. In addition, some up-and-coming parties like AAP, and some regional parties as well are also on the rise. Leftist parties too now have a strong, united voice.

Thus, the once unmatched BJP and their plans of reform on certain issues have proven to be have a difficult task to accomplish. Indian politics in the end must reflect the reality of India's multicultural society and diverse religious and ethnic groups. Whoever is leading India faces various forms of resistance from its many different actors.

Large Stones Are Hard to Remove: Regional Differences and Religious Conflict

There is a significant difference between governing a state (province) and governing a country. Prime Minister Modi's "Gujarat Model" is difficult to implement throughout the entire country.

Modi's campaign for prime minister once used the slogan: "The Gujarat model is India's model; develop the Gujarat model, and we can develop all of India." Yet India's coastal and inland areas are completely different, with different cultural characteristics and ways of living.

The southern coastal area of India is like Shanghai. From a historical perspective, this is India's economic hub, and has a relatively open-minded culture. But comparing to the Ganges Basin, the population there is fairly smaller, and political role the coastal areas play in India is marginal.

Gujarat is precisely a coastal state. Under British rule, this area was one of the three largest business hubs in India. Many Indians who went abroad or immigrated are from this region, thus, Gujarat has always had an international connection. In fact, in the U.S., Gujaratis make up the majority of Indians living in the U.S.

This situation presented an ideal environment for Gujarat's international economic environment. Investment from overseas Gujaratis was also a particularly strong source of capital for Gujarat's development.

In contrast to the southern coast, India's northern region is more of an "inland culture", where market economic activity is limited, and conservative culture is the norm. This is particularly true for India's Ganges Basin, where the religious atmosphere is particularly strong, and castes, families, regions and languages are all divided. Thus, it's difficult to apply market economics to unify the economy, society and political systems. These conservative groups have a strong farming background, have a difficult time understanding modern economics, and lack an innovative spirit or the desire to increase one's wealth. What more, these factors are heavily influenced by lots of short-term agenda.

Nevertheless, northern Indians are numerous, and the northern region is not just India's political activity center, but also the hub of Indian tradition. In India's northern state, Uttar Pradesh, alone, there are more than 200 million people. It is the "king-maker" of Indian politics, and one must not underestimate the importance of this region. Thus, Modi's Gujarat model of governance must transcend both coastal and inland cultural lines, which is no easy task.

After the BJP came into office, Muslims in Indian politics became further marginalized. BJP's political victory was the equivalent of a political loss for Muslims.

In May 2014, during the 16th Congress meeting, a record was broken for lowest number of Muslim parliamentary members in Indian history. In BJP's 282-member party, not one is Muslim. In India's largest populated state of Uttar Pradesh, there is also no single Muslim member in lower house.

This was a first in Indian history. The influence of BJP's paternal organization, RSS, doubled, and they initiated the "go home" campaign aimed at converting Christians and Muslims to Hinduism.

And their campaign was rather quite successful as a large group of Muslims and Christians converted to Hinduism. And in the Uttar Pradesh region, the organization wants to rebuild a Temple Ram at the location of a mosque in Ayodhya. This created a strong backlash in India and abroad. Domestically, some Muslims protested, and abroad, U.S. President Obama issued warnings and criticism to India.

International terrorist organizations like the Islamic State (IS) are currently using the situation in India to expand their influence in the region. The current struggles among the different religious sects in India, and the resulting rising tensions, have given groups like IS and Al-Qaeda a substantial opportunity to expand their influence.

The always stable and secure southern states of India, including Tamil Nadu, Karnataka and Maharashtra, are starting to see a rise of radicalization among Muslims in this area. Some radical organizations and individuals have even openly raised IS's flag, and placed their emblem around certain areas.

If Modi's government doesn't effectively manage the situation, and gives free reign to India's nationalist groups, India might once again erupt in religious conflict, and face an even more serious terrorism threat.

Situations Change Over Time: The Worsening Global Economic Environment

Economic reforms require a robust world economy, especially for the manufacturing sector, which needs a strong global economy even more. Whether it was when Europe used colonization to force countries to open up, or later when countries like South Korea and China used marketization, the external economic environment requires internal economic reform and transformation as necessary preconditions.

China's reform and opening up to the world lasted more than 30 years, and for the most part, the global economy was relatively strong; it's just that China's economy grew at a slightly faster pace.

The current world economic situation isn't good, demand is weak, and resources and commodity prices have all fallen. Since the first time since World War II, global trade has shown a reverse globalization trend.

For consecutive years now, trade growth has been less than the world's overall GDP growth. The world's economic predicament has now become India's economic predicament. Entering 2015, India's foreign trade shrunk dramatically, which caused Prime Minister Modi's "Make in India" plan to hit a severe external roadblock.

From an economic perspective, economic reform, especially large countries' economic reform, will always be accompanied by some acute growing pains. Whether a country can account for such growing pains is only decided by its success or failures in economic reforms.

India's unique societal characteristics and institutional environment make for any large-scale, long-term reform measures to face severe limitations. On the surface, it seems that the real hindrance to India's economic development is its three major laws, but behind this is actually India's complicated struggle between the relationships and interests of ethnic, caste, social, and other kind of groups. One movement, and the whole system shakes.

Therefore, it's difficult for Prime Minister Modi to resemble Mr. Deng Xiaoping in passing new, high-level, well-designed plans to ignite the opening up process for the entire country. Shri Modi cannot just rely on his charm to lead another wave, and to change this massive country revolutionarily.

11. The Korean Peninsula: Alternating Between the Old and the New

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2015 was a year of major changes on the Korean Peninsula. With a relatively peaceful atmosphere as the backdrop, old issues, new policies, old ways and new ideas trudged along. As the haze of the war and the sunshine of peace interweaved, the play between “rebound” and “reverse” alternatively took to the Korean peninsula international political stage.

Stabilization in North Korea 's Domestic and Foreign Affairs

Unexpected by the outside world was that under the leadership of Kim Jong-un, North Korea's economy, politics and foreign affairs all gravitated to a scheduled orbit. With respect to the economy, the serious adjustments and open policies enacted have led to North Korea's agriculture and light industry making serious progress. 2015's grain harvest is expected to become the third harvest year in row, and industrial production finished ahead of scheduled expectations. The socio-economic situation has also improved substantially.

In relation to progress in agriculture and industry, the outreach and notion of marketization in North Korean society has been expanded dramatically. Seizing market opportunities, and being involved in the market has become the most important issue for organizations and individuals, and can be seen as a trend in North Korean society.

After designating several special zones, North Korea made tremendous progress in the construction of a “tourism zone” on its border with China, while several of its inland special zones still reside in elementary stages. The North Korean government has been implementing plans to build special zones similar to “free ports” as a way to stimulate the development of area like Wonsan and Rason.

North Korea's initial construction of its internal commerce and consumption network, have played a positive role in promoting commodity circulation and consumption. With foreign currencies like the USD, RMB and Euro in wide circulation, North Korean's confidence in the North Korean Won (KPW) has been restored as the exchange rate and commodity prices remain relatively stable.

Simultaneously, the rising usage of mobile phones and connection to the intranet has significantly strengthened people-to-people connection. Information from the outside world is flowing into North Korea faster and faster, as informatization and globalization are quickly becoming the leading trend among North Koreans.

In regard to politics, while promoting a policy of pursuing both economic and nuclear development, North Korean high-level politics continues to be shaky and a "rotation" elite politics has become a serious trend, which alternatively reinforces the Workers' Party of Korea's connection with North Koreans.

To protect its power, the party higher-ups have taken an action known as "roulette", that avoids any one person staying in a certain post for too long, hence increasing their loyalty to the supreme leader and receiving more training in different posts.

Under the policy's effect, previous generations of politicians and military elites are continuously changing posts, while the younger generation of practical elites are finding employment opportunities. This reaffirms and stabilizes Kim Jong-un's status, improves the government's executive capability, and strengthens the status of the Workers' party, while the military's position has relatively declined.

In the military sphere, North Korea stuck to its old tricks of demonstrating a strong display of precipice tactics, using nuclear deterrence and an extremely strong display of intimidation. To cope with the joint military exercise between the U.S. and South Korea, the North conducted several long range missiles tests to demonstrate its military capabilities.

One long range missile was submarine-launched in the East China Sea, and another long range missile that was claimed to be capable of reaching the U.S. was also revealed during a military parade. In response to South Korea's psychological warfare, North Korea delivered an ultimatum in August in a show of force. However, this short-lived tense situation dissipated with the conclusion of high-level bilateral talks between North and South Korea.

In regard to diplomacy, Kim Jong-un's government adheres to the policy of pursuing both economic and nuclear development, and has adopted deterrence as its diplomatic strategy. Concurrently, Kim Jong-un is attempting to use "docile diplomacy" to engage major countries.

However, due to differences in power and position among different countries, this diplomatic strategy has yet to achieve success. In 2015, besides its traditional dealings with Southeast Asian countries and some European countries, the highly anticipated state visits to Moscow in May and Beijing in September both fell through.

Although there has been some contact with the U.S., in general, there has been no substantial progress. Diplomacy towards Russia has also yielded few achievements. As for North Korea's Chinese diplomacy, ever since Liu Yunshan's visit to North Korea for the 70th anniversary of the founding of the Workers' Party of Korea, there have been signs of a positive trend in Sino-North Korean relations. The previous stalemate between the two countries is thawing and the political connection is warming up, which has become a highlight of North Korea's diplomacy.

Steps Forwards and Backwards in South Korean Domestic and Foreign affairs

On the other hand, there was division in South Korea's domestic and foreign affairs in 2015. In domestic affairs, there was a fierce inner struggle, but on the other hand, President Park Geun-hye's all-round diplomacy produced great achievements.

In the political ecology of South Korea, quarreling between the current reigning New Frontier and the opposition has ceased to stop. As a result of President Park's administration having already been in power for half its term, the parliamentary elections in April 2016 and the presidential election in 2018, both sides have been firing shots at each other in regard to social issues and North-South relations. Due to the constant conflict between the two major parties and differing public opinion, violent protests on issues of labor treatment and national textbooks have erupted in the country.

Friction within the New Frontier Party (*Saenooori-dang*) is also intense. The conflict created between President Park and party representative Kim Moo-song as a result of differences on parliamentary member recommendations have become irreversible. To gain control within the party, the pro-Park faction and pro-Kim faction are expected to have more confrontation and conflicts in the near future.

But generally speaking, this kind of conflict won't damage the party as a whole, as it is a no-win situation that would not only benefit the opposition, but also put the New Frontier Party at a disadvantage in upcoming parliamentary and presidential elections.

With respect to diplomacy, the Park administration has adhered to a "balanced strategy", which reaped solid rewards in 2015. South Korea increased its communications and deepened its economic cooperation with China. Also, by signing the China-South Korea FTA, and participating in China's One Belt One Road initiative, South Korea has created a smooth communication line with China, and thus, turning China into South Korea's most important economic partner.

In regard to security, South Korea enhanced its cooperation with the U.S. While at the same time transitioning more power to the U.S., South Korea also announced an indefinite delay of wartime control, and kept a low-key profile in its interaction with the U.S. in regard to the deployment of the THAAD anti-ballistic missile system.

U.S.-Japan-ROK relations also achieved a breakthrough on military cooperation by creating an initial joint military coordination mechanism. Meanwhile, the DPRK has tried to maintain a judiciary balance in Sino-American relations, as to avoid offending either side or being too close to one side.

Thanks to solid U.S.-China relations, South Korea has been able to maintain a superior position in dealing with North Korea, often displaying a steadfast demeanor. In respect to the nuclear issue, South Korea has stuck to its strategy of patience, demanding that North Korea first show signs of sincerity in giving up their nuclear ambitions before engaging in dialogue.

In addition, South Korea recently updated the Operations Plan 5027 (OPLAN 5027) towards North Korea to the OPLAN 5015 military operations plan. Its guidelines touch upon delivering a preemptive blow to any “North Korean provocative action”. At the same time, Park proposed the "trust-building progress", the “unified rainbow theory” and the Dresden Declaration in regard to unification on the Korean Peninsula. Park also dispatched a large number of scholars and officers to China to do surveys on the issue of reunification.

To systematically compete with North Korea, South Korea established the North Korean Human Rights Office in Seoul, which applied pressure on the issue of human rights on North Korea, while also creating pressure from the international community as well. However, North Korea believes that South Korea’s reunification is in fact a merger plan. While fighting against this reunification proposal, North Korea has maintained its previously proposed formation by Chairman Kim Jong-il of a Confederate Republic of Korea.

Order on The Peninsula Is Manageable

In a nutshell, North Korea is not in a fragile state of disorder, but rather a sustaining ordered and controllable state. The theory about North Korea’s impending collapse and chaos are utterly groundless.

The current stability in North Korean politics rests on its internally-oriented and sealed-off political system. However, its weak interaction with open information and communication with the outside world is extremely fragile. A large scale opening-up or a significant loosening up will only result in systematic chaos.

Therefore, what North Korea seeks is an intergrowth development of its politics, market and structure, with an emphasis placed on the balance between regime stability, improvement of peoples' livelihoods and internal changes, not reckless "reform" or "opening-up".

The political issue of peoples' livelihoods has become the most important shortcut for creating stability for the North Korean regime. The Workers' Party of Korea continues to trim its programs in order to promote heart-winning policies, and introduce new concepts and slogans like the "livelihoods of the people come first" and "people are the gods". Also, propagation of economic achievements and leaders in education are linked to the party as a way to adapt to new situations and environment.

In other words, North Korea's internal economic and societal problems are not enough to shake the foundation of the country. It shouldn't be difficult for the country to remain stable for a relatively long time.

But because North Korea is more or less creating a balancing act between reform (adjustment) and opening up as parallel opposites of each other with "reforming, not opening up" acting as its domestic policy, and "opening up, not reforming" acting as its foreign policy, it is thus unable to unite the two existing economic changes and transformation in superstructure.

Therefore, although North Korea's economy has made great improvements in recent years, economic and social progress is bound to run into a bottleneck within in a certain period of time.

Only when significant progress is made in its internal economy and society will it be enough to drive political reform, and this will subsequently alter North Korea's view on security matters, but it will be long before this happens. For the time being, North Korea's biggest issue is its unrealistic aspiration of becoming a major power (including pursuing nuclear power), its diplomatic strategy of trying to tame other major powers, and its behavior of frequent military threats. If North Korea doesn't modify these patterns, and continues reverting back to confrontation and conflict, it will once again lead to a vicious circle of worsening diplomacy.

On the South Korean side, President Park has already completed half her term as president. However, the South Korean economy remains stagnant, the predicament of opposing politics, and the ingrained habits of inner societal conflict may result in an early "lame duck" presidency. If this is the case, the only political legacy Park can leave behind are her diplomatic policies and North-South Korean relations.

So far in respect to Park's diplomacy, the U.S.-China two-wheel system has worked decently, and Park is also working on improving the U.S.-Japan-ROK trilateral relationship. The emerging China-Japan-Korea partnership has also been revealed to be an integral part of her Northeast Asian diplomacy.

Thus, North-South Korean relations are bound to be the focal point of the Park administration in the remaining two years as her focus undoubtedly shifts to this symbolic relationship. If she can achieve a major breakthrough in North-South Korean relations like Kim Dae-jung or Roh Mu-hyun did, it would undoubtedly become one of the most significant legacies of her presidency.

It's anticipated that in the coming two years that besides promoting Park's "balance diplomacy", South Korea will begin to place more emphasis on its North Korean strategy, and will put it into practice instead of it being left on paper, using pragmatic

talks, high-level talks and summit meetings as ways to make breakthrough relations on the Korean Peninsula.

A Suggestion for China's Korean Peninsula diplomacy

The role of China on the Korean Peninsula issue is reflected in its unique influence on both sides, especially on the North. To some extent, China-North Korean relations act as the guiding fixture of Chinese interests on the Korean Peninsula.

In 2015, China took the initiative to resolve the predicament in China-North Korean relations. Relations between the two countries are generally stable now, but are also still very sensitive and fragile. Under these circumstances, we should keep mending the political, economic and security links between China and North Korea, and ensure relations are unbreakable and sturdy. This way we can achieve a new type of relations that inherit traditional aspects, while also being adaptable to new circumstances.

China should assist North Korea in building its own development path where economic construction is the biggest concern. China must also urge the U.S. and its allies to reduce their military threats directed at North Korea, and provide North Korea the chance for development through China's One Belt One Road initiative. Only by doing this can China advance peace on the Korean Peninsula.

Moreover, China should change its old policy of placing emphasis on politics with North Korea and economy with South Korea. China must use political measures to strengthen its economic relation with North Korea, and break free of the conundrum where after acting, it worries if it hurt North Korea's feelings, and the other alternative where China doesn't act and is passive.

With respect to China-South Korean relations, China should adopt political means to elevate relations between the two countries, and thus achieve a quantum leap in its strategic partnership. China should also actively be involved in the economic development process of the Korean Peninsula by using the One Belt One Road

initiative, and in order to ensure the overall security of the Korean Peninsula, China ought to promote the notion of a community of common destiny and the idea of mutual interests. The result of this will be to achieve sustainable stability on Korean Peninsula.

12. Three New Developments in the South China Sea Disputes And China's Strategy

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The South China Sea situation became volatile in 2015. The claimants contended for its maritime resources and island sovereignty, which further agitated the dispute in the South China Sea. The involvement of “external powers” onto the South China Sea dispute made the dispute become more complex, and the Chinese government, in creating a maritime power, also increased its presence and construction activities in the region.

At present, there are three new developments in the South China Sea dispute. The first is the Philippines unilaterally using interstate arbitration methods, and instituting arbitral proceedings against China under Annex VII to the United Nations Convention on the Law of the Sea (UNCLOS). The second is the latent “united contain-China” front that has been formed by some ASEAN claimant states. The third is the “intervention” of external powers like the U.S., Japan, India and Australia and the subsequent intensifying of games between “intervention” and China’s “anti-access”.

While the South China Sea conflict and dispute continues to heat up, the relevant actors in the dispute are currently embarking towards “uncharted waters”. How to exit these “uncharted waters” will require each actor to exercise restraint and seek compromise.

The Stalemate In the Legal Fight between China and The Philippines

The Philippines are at the judicatory “vanguard” of the South China Sea arbitration. In January 2013, the Philippines initiated an arbitration case against China to the Hague’s Permanent Court of Arbitration (PCA). However, China has from start to finish upheld the notion of not accepting and participating in the Philippine’s arbitration case.

On December 7, 2014, China published “Position Paper of the Government of the People's Republic of China on the Matter of Jurisdiction in the South China Sea Arbitration Initiated by the Republic of the Philippines”. Outlined in this position paper is the “Arbitral Tribunal” does not have jurisdiction over this case, and on these legal grounds, China refutes the Philippines’ stance, urging the Philippines to return to friendly consultations and negotiations.

On October 29, 2015, the “Arbitral Tribunal” rendered award on jurisdiction and admissibility of the South China Sea arbitration. The “Arbitral Tribunal” found that the Tribunal has jurisdiction to consider the Philippines’ seven Submissions (No. 3, 4, 6, 7, 10, 11, and 13.). Looking from the perspective of the outcome, it seems as China has lost the first round of this major legal fight with the Philippines. Despite China stating that the “Arbitral Tribunal” does not have jurisdiction over this case, the award however indicated that the Tribunal believes it has (at least some) jurisdiction.

The Philippines in instituting arbitral proceedings against China in the PCA produced a “demonstration” effect. On June 23, 2014, the Vietnamese government signed a host country agreement and cooperation agreement with the PCA. In accordance with the agreement, the Vietnamese government formally recognized that the PCA has the necessary qualifications to pass arbitrations, and that the Arbitration, Mediation and Investigation Committee can resolve each countries’ disputes.

On October 31, 2015, Vietnamese Foreign Ministry Spokesperson Le Hai Binh expressed that Vietnam will closely follow the arbitration case between the Philippines and China. Binh also said Vietnam respects the implementation of the UNCLOS and hopes the court will apply the Convention’s regulations in making any jurisdictions. The essence behind Vietnam utilizing international judicatory avenues to resolve conflict is based on hoping to receive support from the U.S. and Japan, using these provisions to maximize benefits.

Some ASEAN Claimant States Forming a Latent “United Contain-China” Stance on The South China Sea Dispute

In recent years, Some ASEAN claimant states have engaged in more discussions and coordination on the South China Sea issue. On February 18, 2014, The Philippines, Vietnam and Malaysia opened up the the so-called 1st ASEAN Claimants Working Group Meeting, where the three countries agreed to continue cooperation on the concurrence that the nine-dashed line was invalid.

On May 21, 2014, Vietnamese Prime Minister Nguyen Tan Dung and The Philippines President Benigno Aquino III jointly announced after their meeting that two countries are “determined to oppose China’s violations”, and called on the international community to “strongly condemn China”.

On April 27, 2015, the 26th ASEAN Summit published the Chairman’s Statement insinuating China’s behaviors in the South China Sea issue. The statement expressed seriously concerns on the land reclamation being undertaken in the South China Sea, which has eroded trust and confidence and may undermine peace, security and stability in the South China Sea. The statement also reaffirmed the importance of maintaining peace, stability, security and freedom of navigation in and over-flight over the South China Sea.

In November 2015, Vietnam and The Philippines issued a joint statement on the establishment of a strategic partnership. The two countries ensure maritime security and safety, and freedom of navigation in and overflight above the South China Sea. The two countries also discuss “the eventual holding of actual joint activities between the two navies.”

In the wake of ASEAN announcing the creation of the ASEAN Community on December 31, 2015, the likelihood of ASEAN claimant states forming a single voice on the issue of the South China Sea dispute, is becoming more probable by the day.

External Powers’ “Intervening” and China’s “Anti-Access” Games Heat Up

In 2015, the U.S. frequently used the banners of “freedom of navigation” and “freedom of flight” to continuously involve itself in the South China Sea controversy.

On May 13, Daniel Russel, Assistant Secretary of U.S. Department of State, made a testimony before U.S. Senate Foreign Relations Committee, warning China that its reclamation projects in the South China Sea are to no avail. He stated that, “No matter how much sand you pile on a reef in the South China Sea, you can’t manufacture sovereignty.”

On May 21, 2015, the US Senate resolution to the South China Sea territorial dispute condemned China's unilateral construction of artificial land formations in the disputed Spratly Islands. The resolution urged China to clarify: (1) the meaning of its "nine dash line" claim and the maritime areas it claims within that space, and (2) its intentions with respect to establishing "necessary military defense" on reclaimed features.

On September 24 and 25, 2015, U.S. President Barack Obama and Chinese President Xi Jinping met, and during their meeting, Obama requested China to immediately stop its land reclamation activities in the South China Sea.

On October 27, 2015, the USS *Lassen* sailed within 12 nautical miles of Subi Reef and Mischief Reef. This action of the U.S. navy clearly reflected their stance that they refute China’s sovereign claims to the Spratly Island areas. In response to the USS *Lassen* and its actions, China strongly opposed, accusing the U.S. that this action was “illegal”, and urging the U.S. not to engage in any further “dangerous, provocative” behavior.

From China’s perspective, it is a matter of respecting the relevant international laws in regard to other countries’ enjoying navigational and flyover freedom, and the U.S. provocative actions are a direct threat to China’s sovereignty and security interests. In

regard to Malaysia, the Philippines, Vietnam and other countries and their respective island-building activities in the South China Sea, the U.S. looks the other way, which reflects the notion that the U.S. is being selective in where it involves itself. From the U.S. perspective, the U.S. believes its actions of freedom of navigation are conducted in international waters (and not Chinese territorial waters). Domestic calls for tougher measures in both China and the U.S. in response to the other's actions is increasing. In a nutshell, the possibility of the South China Sea dispute becoming a bigger conflict between the U.S. and China is possible.

Besides the U.S., major powers outside the territory of the South China Sea, including Japan, India and Australia, have also interfered in the South China Sea dispute.

The fundamental reason behind Japan's involvement in the South China Sea controversy is to thwart China's exercising of its sovereignty and jurisdiction rights. On November 6, 2015, Japanese Minister of Defense Gen Nakatani and Vietnamese Defense Minister Phung Quang Thanh agreed to invite a Japanese warship to visit Vietnam's Cam Ranh Bay. This move is aimed at checking China's land reclamation activity in the South China Sea. On December 17, 2015, Japan and Indonesia held the first "2-plus-2" talks between their respective foreign and defense ministers. The Japanese government hopes to deepen cooperation with regional countries with clout like Indonesia to rein in China.

In order to expand its influence in the South China Sea, India has actively supported countries like Vietnam and The Philippines through diplomatic and defense related approaches in response to China's increasingly active presence in the Indian Ocean. On October 14, 2015, Indian External Affairs Minister Sushma Swaraj and the Philippines' Secretary of Foreign Affairs Albert F. Del Rosario co-chaired the 3rd Meeting of the India-Philippines Joint Commission on Bilateral Cooperation. Swaraj stated that the South China Sea was both the "the West Philippine Sea/South China Sea" in the joint statement, indirectly expressing his diplomatic support for the Philippines on the South China Sea dispute. On January 25, 2016, Reuters reports that

India will set up a satellite tracking and imaging centre in southern Vietnam. This project will give Hanoi access to pictures from Indian earth observation satellites that cover the region, including China and the South China Sea.

Because approximately 60 percent of Australia's exports pass through the South China Sea, it also is paying close attention to South China Sea situation. On October 27, 2015, Australian Defense Minister Marise Payne emphasized in a statement the importance of "freedom of navigation and overflight" in the South China Sea. In December 2015, an Australian P-3 Orion surveillance aircraft carried out a "routine maritime patrol" in the South China Sea.

China's Four New Thinking on Its South China Sea Strategy

The South China Sea is China's core maritime area in its "maritime power" strategy. It's also a key step in China's foothold on the West Pacific, opening up the Indian Ocean, and is an important maritime area in advancing the "21st century maritime silk road". With China aiming to advance the construction of a maritime power and the South China Sea security problem coming to a head, the Chinese government needs to use a different kind of thinking on its South China Sea strategy as follows.

In the international law aspect, China needs to clarify its dotted line in the South China Sea through legislation and proclamation as early as possible.

On May 7, 2009, Chinese government addressed a Note Verbale to the U.N. with an attached map of its dotted line in the South China Sea. After that Note Verbale, China mainly references to historical rights/evidence, without clarification of their basis or scope, feed doubts that the line constitutes a strategically ambiguous perimeter of China's claimed maritime space.

While Chinese academia has reached a consensus on "what isn't" in regard to the South China Sea dotted line, the main issue confronting it is however that Chinese academia has not reached a consensus on "what is" the dotted line. Areas of

agreement within Chinese academic circles include following: the dotted line isn't a territorial boundary line or a maritime boundary line; it's also not a territorial sea baseline or an outer limits line of territorial waters. From this perspective, the Chinese government has never proposed for or exercised its entire maritime sovereignty in the South China Sea, and has never stated the maritime territory contained within the dotted line as being Chinese territory. On whether the dotted line is based on islands (reef) attribution line or historical rights line, or is the formation of both lines, Chinese academic circles have yet to reach a common unanimity.

In light of this, China needs to look at its dotted line as a strategic topic at hand and subsequently, carry out comprehensive research on the matter, and hope to quickly clarify the dotted line through legislation and proclamation, as well as its geographical coordinates, and link scheme with technical methods.

The author suggests that the Chinese government first clarify the dotted line's "historical rights" to the international community in four points. The first being that China enjoys sovereignty over the islands and nearby maritime areas (mainly territorial waters) within the South China Sea dotted line. The second is that China enjoys "sovereign historical rights" and jurisdiction rights over the relative maritime zone (mainly the EEZ and continental shelf) under the dotted line. The third is the relative maritime zone, outside of China's EEZ and continental shelf, simultaneous within China's dotted line, also possess "non-sovereign historical rights". The fourth and last point is that China's "historical rights" position does not entirely exclude surrounding states in the South China Sea from enjoying the "freedom" and vested interests in the region, which simultaneous in non-opposition of China.

The most important task at hand is for China to carry out comprehensive and systematic preparation on maritime delimitation of the South China Sea. The necessary preparations include a consideration of not only entitlements, effect of maritime features, and principles and methods of delimitation, but also all relevant factors that must be taken into account, in order to attain an equitable solution.

In the international institution aspect, China needs to actively promoting the establishment of a South China Sea Claimants Institution.

Instead of allowing the South China Sea dispute be resolved by the “Arbitral Tribunal” set up by the PCA, in the author’s opinion, China can resolve the issue by setting up a South China Sea Claimants Institution (SCSCI) in the South China Sea area. Under the SCSCI framework, there are four issues that need to be resolved.

The first is bilateral and multilateral-style negotiations that are pragmatic and workable. Within the framework of the five countries (China, Vietnam, the Philippines, Malaysia and Brunei), each country will negotiate to resolve islands (reefs) sovereignty disputes. After Indonesia’s entrance, the SCSCI will expand to six countries (China, Vietnam, the Philippines, Malaysia, Brunei and Indonesia) to resolve overlapping maritime space.

The second is requiring claims of maritime natural resources rights to be further clearly explained. Under the SCSCI, China will take its historical rights position and turn it into a feasible maritime natural resources rights request, which will allow the other claimants to comprehensibly understand China’s stance in respect to rights.

The third issue is flyovers using military aircraft, military vessels on water, and the issue of navigational “freedom” on open water, which needs to be immediately negotiated. Military use of the South China Sea lacks provisions approved by each relevant party, which is also the fundamental problem between the U.S. and China, and is also the principle issue with coastal countries. Under the current circumstances, where each claimant’s EEZ overlap with one another, it is essential that each claimant approves certain provisions on military navigation and military use.

The fourth issue is using the SCSCI to create a resolution roadmap to the South China Sea dispute. The South China Sea dispute resolution roadmap could be segmented into short, medium and long-term goals. The short term goal is to manage crisis; the

middle-term goal is building mutual trust; and the long-term goal is completing delimitation of their maritime territorial borders.

In the international relations aspect, China needs to adopt interests exchange measures for each claimant in the South China Sea.

The stances and claims of the other claimants (Vietnam, the Philippines, Malaysia, Brunei and Indonesia) are very different. China needs to carefully research the differences in stances and claims among each claimant, and to subsequently adopt the interests exchange measures for each claimant in the South China Sea.

In respect to Vietnam, China can adopt a political-economic separation method, using mutually shared economic rights in exchange for the safeguard of China's maritime sovereignty. With Vietnam abiding by Chinese laws, it could enjoy resource exploitation, fishing and science research in disputed maritime areas with China. China's use of capital and aid will act as economic compensation for Vietnam, as well as a security guarantee. Before resolving maritime features ownership and maritime delimitation disputes, China and Vietnam could choose a piece of overlapping maritime zone and form a joint development agreement for the offshore oil/gas resources. In order to alleviate some of the difficulty in negotiations, China and Vietnam could first come to a phased-based (5-10 years) joint development agreement. When China and Vietnam reach a joint development agreement during negotiations, each country could include more capital, technology and factory locations factors to dilute each countries' geographical and sovereignty stakes within ownership shares. This method is beneficial for both the Chinese and Vietnamese governments in providing announcement to people back at home and gaining domestic support.

China needs to take advantage of a timely opportunity in May 2015 to reconcile differences and return to the right track between itself and The Philippines when the Philippines holds the next presidential election. This will ease the judicial and international pressure China faces on the South China Sea dispute. At the same time,

China can propose the start of negotiations between China and the Philippines on fishery, which will help build up trust for bilateral relations and maritime cooperation. After the completion of construction in its occupied Spratly Islands, China is willing to open civil facilities (airports, ports, communication and meteorological facilities) up to the international community (including the Philippines). These actions not only embody China's aim of constructing regional public goods in the South China Sea, but will also alleviate the condemnation from claimant states like the Philippines.

Malaysia claimed sea areas are rich in oil and gas resources in the southeast or south of the South China Sea. Malaysia and Thailand have previously reached a joint development agreement in 1990 on maritime oil and gas development. In 2010 alone, Malaysia and Thailand's respective natural gas revenue and profit reached 390 million US dollars within the "Malaysia–Thailand Joint Development Area". This is the first successful case of Southeast Asian countries "putting aside disputes and jointly developing" maritime natural resources. This example can offer China some insight into actively searching for mutual points of interest between China and Malaysia, such as creating an interim measure to exploit the natural resources in the seabed or continental shelf claimed by the two countries.

In March 2009, Brunei and Malaysia previously used a so-called "oil in exchange for territory" method. Brunei relinquished its territory request of Malaysia's Sarawak Limbang region, and in exchange, Malaysia transferred the mining rights of two oil deposit regions near the Louisa Reef. This type of "oil in exchange for territory" method gives China insight into engaging in some compromising on oil/gas development rights, and not altering Malaysia and Brunei's joint development in overlapping maritime areas. All of this will be in exchange for Brunei's recognition of China's maritime jurisdiction in overlapping maritime areas.

Indonesia's Natuna Sea and China's South China Sea dotted line overlap. China and Indonesia could push for joint development of the Natuna Sea. The two countries could divide the joint development zone into three different parts and apply to suitable

development systems. In respect to splitting up the joint development zone, China and Indonesia could divide the area into three blocks, A, B and C. A block will act as the core development zone, with both countries jointly managing and sharing profits equally. B block however, will be under China's jurisdiction, but will share some profits with Indonesia, and C block will be resided over by Indonesia, but Indonesia must split a share of the profits with China. In regard to a management mechanism (a joint management bureau) within the joint development framework, both countries could render more of their respective jurisdiction or authority on the matter.

In the national sovereignty aspect, China needs to cultivate its citizens' rational thought and law-based spirit on the maritime territory issue.

Maritime territory contains "liquid properties" and "inherent ambiguity" characteristics. These two characteristics make maritime territory and terrestrial territory have different legal statuses. With respect to the legal status of maritime territory, in general, it can be divided into two categories. The first is the right for a country to enjoy exclusive sovereignty over territorial waters. The second is the limits of international law and international convention on a country's maritime jurisdiction. In respect to China's development and jurisdiction rights of different maritime zones, there exists significant differences. In regard to terrestrial territory, whether it is mountains or plains, its legal position does not differ.

Chinese citizens ought to use a law-based spirit to understand the difference in legal statuses as to the different components of maritime territories. Some Chinese citizens do not understand the "liquid properties" and "inherent ambiguity" characteristics of maritime territory, and they have an over-expectation on the future maritime delimitation negotiations. During maritime delimitation negotiations, there is always a "give and take" process. Chinese scholars need to use objective and authoritative research to guide Chinese citizens' rational thought and law-based spirit on the future maritime delimitation negotiations.

The Chinese government can create a South China Sea-based website, and increase the level of publicity. The Chinese government website (for example, Ministry of Foreign Affairs website) could format a multi-linguistic, question-and-response-based dialogue website on the South China Sea issue. This South China Sea website will not only offer China's stance and relative evidence on the matter, it will more importantly, succinctly refute and explain other claimants' positions, evidence and cross-examinations. This type of action will help Chinese citizens be able to objectively and rationally understand the South China Sea dispute. It is also beneficial in appropriately resolving the South China Sea maritime territorial sovereignty dispute and maritime delimitation dispute between China and other claimants in the future.

Finally, the author would like to emphasize that under the present complex environment, China needs to prevent the South China Sea dispute from affecting the overall situation of its domestic and foreign affairs. *The Book of Rites* said that "alternate tension with relaxation in work or alternate work with rest". The dialectical Chinese saying inspires China to strike a balance between tension and ease, leniency and severity in its domestic and foreign affairs. The tension in the South China Sea must be ease and relax. In the coming five years, the core task of China's domestic and foreign affairs is in completing the building of a moderately prosperous society in all respects, and China's South China Sea strategy must not only adhere to this, but also support this objective as well.

13. Seeking Governance in Chaos in the Middle East

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The chaotic situation in the Middle East has been raging on for five years. Upheaval, division and reshaping have become the classic characteristics of the situation in the Middle East. The upheaval of Arab countries in transition, the imbalance of the region's pattern has been two key problems in the Middle East.

The situation in the Middle East region in 2015 is still an extension of this course, and its level and intensity has even surpassed prior years. Yet amidst the chaotic situation in the Middle East in 2015, signs of seeking governance have emerged.

Without a doubt the signing of the Iran Nuclear Agreement was the brightest spot in the Middle Eastern situation. Not only did it remove the biggest war detonator threatening regional security, it also created a political resolution to the Middle East's hottest issue, and was beneficial for Iran's integration into the international community and the balance in the Middle East.

In terms of Arab countries' transition, regional hot issues and situations, the Middle Eastern situation has showed characteristics of seeking governance in the chaos. Transitioning Arabic countries are trending towards stability (Tunisia, Egypt, etc.) and others are heading towards upheaval (Yemen and Libya). These two types, displaying chaos and stability, coexist in these two trends.

With extremist groups like the Islamic State of Iraq and the Levant (ISIL) continuing to wreak havoc, the migrant crisis continuing to ferment, and the sharp attack on global security and governance, the advancement of cooperation on issues that have surrounded the international community in anti-terrorism and immigration governance has actually been greatly helped.

While new and old issues are still sensitive in Syria, Iraq, Yemen, Palestine-Israel, etc., the Syrian conflict and the Yemeni issue have already appeared to return to the possibility of a political resolution. The geopolitical games between the major Middle Eastern powers and the conflicts between different religious sects continues to deepen and seriously affect the development track of combating ISIL in Syria, Iraq and Yemen.

However, major regional powers are becoming more rational as Russia, the U.S. and other major powers act as balancing force, which has created positive signs amidst the regional crisis. Currently, while the Middle East has not completely evolved from serious upheaval to serious stability, the stability among the chaos has after all given the world a view of hope for a turnaround in Middle Eastern situation.

Iran Nuclear Negotiations Come to Fruition

On July 14, 2014, after on-and-off 12-year negotiations on Iranian nuclear issue, and after many ups and downs, a resolution finally came to fruition with Iran and the six negotiating countries signed the comprehensive agreement on Iranian nuclear issue.

According to the comprehensive agreement on Iranian nuclear issue, Iran has to drastically cut down its nuclear research and development capabilities in 10 years (Iran has to eliminate two-thirds of its centrifuges from 19,000 to 6,104, and Iran has to rebuild the Arak heavy water nuclear reactor to ensure a peaceful outcome, etc.) in exchange for the lifting of the comprehensive sanctions placed on Iran by the UN, the U.S. and the EU.

The main impetus of the agreement on Iranian nuclear issue stemmed from the mutual needs of both the U.S. and Iran. With the U.S. seeking to shrink its Middle East strategy, and having exhausted all methods of force to tackle the Iran nuclear problem, the U.S. resolving the issue through negotiations became an inevitable solution, and became the Obama administration's all-out effort to forge a diplomatic legacy.

In respect to Iran's position, a lifting of international sanctions and revitalizing its devastated economy became the moderate figure Hassan Rouhani's and his government's tireless pursuit since his coming into power in 2013. Thus, the U.S. and Iran effectuating changes and policy adjustments directly advanced the progress of the negotiations on Iranian nuclear issue, starting from 2013 up to and until the conclusion of the comprehensive agreement on Iran nuclear issue.

All parties revolved in the Iranian nuclear issue and the international community are winners, and Iran is however the obvious biggest winner. Iran not only protected its national dignity, maintained its right to peacefully use nuclear energy, but also comprehensively eliminated sanctions. At the same time, the agreement also eliminated Iran's isolation, and integrated Iran into the international community, as well as creating the right conditions for Iran's strategic goal of becoming a major power in the region.

At the same time the U.S. also reaped solid benefits. The signing of the agreement on Iran nuclear issue reduced the difficulty of shrinking its Middle East strategy, and Iran's participation in regional affairs is also beneficial for creating a regional balance for the U.S.' leading position. Moreover, comprehensively resolving the Iran nuclear issue, thawing U.S.-Iran relations, while protecting the non-proliferation of nuclear weapons, is Obama's political legacy that will be entered into the historical records.

Russia, Europe and China not only performed a unique role in resolving the Iranian nuclear issue, but will also reap the market rewards from the economic perspective of lifting the sanctions on Iran. With respect to the international community, especially the Middle Eastern region, the agreement on Iranian nuclear issue is an example of a political resolution to an international hot issue, and is favorable for maintaining international and regional security. The EU has already proposed using the Iran nuclear negotiation model to politically resolve the Syria issue, which is to say the value of the Iran nuclear negotiation is the most valuable illustration of successful negotiations.

The Opportunities Behind the Regional Crises

The three biggest overlapping crises without a doubt in the 2015 Middle East situation were the continued expansion of the Islamic State of Iraq and the Levant (ISIL), the Syrian civil war, and turmoil in Iraq, which have all led to widespread havoc, the spread of religious extremism, the reshuffling of political territory, and a flood of immigrants. Thus, they have caused complex geopolitical games between countries inside and outside the region.

However, it is also precisely due to continued regional crises, and the crises threatening each actor's interest, which has caused the U.S. and Russia to either actively or passively adjust their policies. Thus, this has created the possibility of change in relevant regional issues.

Attacking ISIL from an antiterrorism perspective, the U.S.-led international antiterrorism coalition results from have been poor, as ISIL continues to attack cities and seize territory, and in the last half year, has captured two strategic cities in Iraq and Syria in Ramadi and Palmyra, respectively. At the same time, ISIL continues to threaten to seize more political territory and ripping up the Eastern Mediterranean region.

In addition, ISIL's expanding capabilities in the Islamic world (West Asia, North Africa, Central Asia, South Asia and Southeast Asia) and western countries, and its use of new media to propagate perverse ideologies, and its recruitment ability all pose an even greater challenge. Thus, this has become most severe challenge to global governance.

Accompanying the continued expansion of ISIL and other extremist groups' influence is also the long-term stalemate in the Syrian civil war, which has been an unfavorable situation for the al-Assad regime. The Iraqi regime has also once again fallen into

immediate danger, and the ethnic conflict among the three prominent ethnic groups in Sunnis, Shiites and the Kurds has further-split the divide in Iraq.

The three overlapping crises of the spread of ISIL, and upheaval in Syria and Iraq have led to the biggest migrant crisis since World War II. The flood of immigrants has become a unique link connecting Europe and the Northwest African region, and has caused Europe, as a main instigator of the Arab Spring, to suffer from its own doing and swallow a bitter pill.

The spread of extremist ideologies and organizations in Europe's interior, the Charlie Hebdo incident, and other terrorist attacks happening successively has made Europe even more insecure.

With respect to Middle Eastern countries like Turkey and Saudi Arabia, which are expending substantial effort in intervening in the Syrian conflict, it will be much more difficult for them to maintain their own personal integrity. The several incidents of ISIL-planned terrorist attacks in 2015, and the political crisis in the two countries (i.e., the Saudi royal family power struggle and 2015 Mina stampede, the Turkey election crisis and the Kurdish issue) have mutually overlapped, creating a relatively large security and political risk for both countries.

However, in light of the continued deterioration of the crisis in the Middle East, the world's major and regional powers have been forced to adjust their policies, which have produced some noteworthy positive signs in the last half of the 2015 Middle Eastern situation.

First and foremost, the constrictive U.S. Middle East policy has eased, and has made balance in the Middle Eastern region the most important strategic goal, which to a certain extent is favorable for the reconstruction of order in the Middle East. The U.S. increasing its force in combatting ISIL in Iraq, slowing down the withdrawal of troops from Afghanistan, allowing the participation of Iran in negotiations on the Syrian

conflict, and loosening its stance on whether the al-Assad regime has to go, as well showing restraint on Russia's grandiose fight against ISIL, are all of the major characteristics of the U.S. policy adjustments.

Second, Russia's increased strategic output in the Middle East is effective for balancing the overall regional situation. Russian air bombing campaigns against ISIL in Syria's interior with the objective of promoting negotiations has already been partially accomplished.

Since October 2015, different forces in the region have rushed to Moscow to enter into talks regarding the Middle East issue. Also, the third convention of Syrian peace talks in Vienna, which included Iran for the first time, as well as the West, Saudi Arabia and Turkey easing their stances on removing al-Assad's regime from power, all have a close connection with Russia's strategic adjustments in the Middle East.

Third, underneath immense pressure caused by the migrant crisis and antiterrorism, Europe's Middle East policies have become more practical and rational. While the major powers in Europe and the EU are doubling their forces against combating radical extremism, they also have successfully increased their offensive power against ISIL. With respect to the migrant crisis, Europe has increased its internal cooperation, and has also strengthened cooperation with Middle Eastern countries like Turkey.

Lastly, countries like Saudi Arabia and Turkey that actively intervened in the Arab Spring, especially in the Syrian conflict, have seen their regional policies result in an awkward situation. These countries face a number of internal and external challenges, and have forced each country to recalibrate their policies on ISIL and the Syrian conflict.

However, it is necessary to mention that these aforementioned positive factors are still not enough to lessen and resolve the crisis in the Middle East. The reconstruction of regional order still has a long way to go.

Governance and Upheaval Coexisting among Transitional Countries

The two examples of transitional countries showing signs of governance are Tunisia and Egypt. These two countries used different ways to arrive at a stable situation. They have already taken the first steps to completing national political transition and reconstruction.

Since 2014, Tunisia held presidential elections one after the other and government cabinet reshuffling was made, essentially using a democratic process to complete its political transition, which is one bright spot to come out of the Arab Spring. During the political transition in Tunisia, the Tunisian General Labor Union (UGTT) played a key role in leading a successful resolution of dialogues regarding different political sects, and as a result was awarded the 2015 Nobel Peace Prize.

The most significant event to come out of the political transition process in Tunisia was the fact that different political forces, especially religious and secular forces, engaged in dialogue. Their spirit of reconciliation and compromise, the Ennahda movement accepting its loss in the general election and stepping own, the peaceful and legal integration of Islamic forces into the political process, had immense significance for transitioning Arab countries.

Egypt also finished its initial political transition in 2015. However, Egypt's political transition is completely different to Tunisia's. Egypt's political transition occurred through the military dethroning the ineffective rule of the Mohamed Morsi regime, suppression of the Muslim Brotherhood, and then using the presidential and parliamentary elections to affirm such actions. This was often looked at by western public opinion as the reconstruction process of an authoritative regime.

After one year as Egypt's leader, Sisi's adjustments on areas such as the economy, security and diplomacy have already yielded solid results. Naturally however, the

completion of the political transition for Tunisia and Egypt still face serious economic, societal and security challenges, as future prospects still look bleak.

The disruptive nature of the transitional countries' revolutions was reflected in the continuing upheaval and chaotic situation in Yemen and Libya. Yemen's transitional failure was the main predisposing reason for Saudi Arabia's military intervention. Libya on the other hand, has fallen into a long-term armed conflict between secular and religious forces.

Because countries like Saudi Arabia interfered in the conflict during the political transition in Yemen in 2015, the situation became even more severe. Yemeni President Ali Abdullah Saleh peacefully handing over the presidency to Abd al-Rahman Mansur al-Hadi in 2012, and the 2013 Yemeni National Dialogue Conference (NDC), where a new constitution was formulated, became the core accomplishment of the political process for the completion of Yemen's political transition.

Yet, Yemen's economy and security situation continues to worsen and the conflicts between central authorities and religious sects and clans rages on. The armed conflict between the remaining forces left over from the Saleh presidency and the Shia-led Houthis, as well as Al-Qaeda and other terrorist forces running rampant, has caused national dialogue meetings to be strained as they move forward.

At the start of 2015, the Houthis repeatedly took cities and captured territory in Yemen as a result of their dissatisfaction with the new constitution's draft, causing President Hadi to flee to Saudi Arabia. In the end, a coalition of Arabic countries including Saudi Arabia began carrying out air bombing campaigns against the Houthis in late March. The crisis in Yemen still rages on today.

The main source of the continued upheaval in Libya was that the irresponsible military intervention of the West provided the space for the religious-secular conflict,

tribe struggles. Also significant was the room that was given for radical terrorism to flood in, especially with the secular-led and people-elected General National Congress, and the religious militia-led National Assembly, which created their own respective governments, creating a two-government and east-west division. Although each party has held several negotiations, the situation still seems to be hopeless for a resolution even today.

The biggest revelation to come out of the Yemen and Libya crises are political transition dominated by the external forces' interference ultimately failed and thus, more endless trouble is in store.

In a nutshell, the chaotic situation in the Middle East has given people around the world the three following insights. First and foremost, Middle Eastern countries' self-determined development paths are the only way to long-term prosperity for transitional countries. The methods imposed by military intervention, exporting democratic values, and the Color Revolution are not helpful for the development and stability of Middle Eastern countries.

Second, the Middle East countries must rightly cope with the relationship among reform, development and stability. The international community should support the Middle East countries to deal with development problems, especially the economic reconstruction of transitional countries and countries suffering from war. This is an important pretext for stability and prosperity in the Middle Eastern region.

Lastly, the use of dialogue, negotiation and cooperation to achieve political resolutions of hot issues in the Middle East is the inevitable choice to achieve stability for the Middle East region. This was the inherent foundation of the comprehensive resolution of the Iran nuclear issue, and is also the direction for the Syrian conflict and other regional hot issues. All of these precisely reflect Chinese diplomatic ideals.

14. Global Cyberspace:

Managing Old Differences and Formulating New Rules

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The key issues in global cyberspace in 2015 were managing “old differences” and formulating “new rules”. In bilateral, multilateral and global levels, the issues and challenges produced from global cyberspace’s rapid development were quickly displayed. Appropriately handling challenges and managing crises between state actors, and subsequently, effectively ensuring the strategic stability of global cyber-security, and pushing forward the provisions of governance rules on relevant problems, became the main theme of various strategic practices on global cyber-security in 2015.

Constructive Management of Differences is Becoming The Main Principle of The Sino-American Response to Cyber-security Conflicts

Cyber-security in 2015 officially became the highest prioritized issue in the Sino-American strategic framework, and its importance had an obvious surge.

On February 11, President Obama made a call to President Xi Jinping, where he stated that President Xi’s state visit to the U.S. in September would be focused on bridging the gaps, differences and discrepancies in the Sino-US cyber-security sphere. From that point on until the beginning of September, the cyber-security issue began to heat-up within the Sino-US strategic relations framework.

U.S. cyber-security corporations, the media and relevant government departments continued sensationalizing the news that the “Chinese government sponsored cyber theft of the U.S. business sector.” This was especially the case from the period between April and May, when the U.S. Office of Personnel Management (OPM) suffered a cyber hack that led to the release of the personal data of 22 million federal

employees, which increased the tensions between the U.S. and China on cyber security issues.

In May, the U.S. Department of Defense (DoD) passed the latest version of the DoD Strategy for Operation in Cyberspace, which resulted in a significant impact in helping Cyber Command protect the U.S. homeland and relevant key strategic information technological facilities from the possibility of cyber attacks. In addition, it will also use cyber measures to prohibit crisis escalation, and in the entire process of crisis management, created favorable conditions for the U.S. security environment by being included as one of the U.S. Army's strategic cyber goals.

On July 31, the *New York Times* released information regarding the NSC's serious consideration as to whether a kind of cyber war is warranted in retaliation against Chinese facilities. Anonymous American official from the hawkish camp was quoted as saying through the media that amidst the retaliation items that the U.S. government lists, Chinese information infrastructure is listed as a possible target of cyber attacks.

In late August and early September, the same anonymous information source revealed through the *Financial Times* that the U.S. government was currently considering implementing sanctions against so-called "Chinese government-sponsored cyber theft of the U.S. business sector before President Xi Jinping's visit to the U.S."

At the same time, the U.S. and China adopted positive measures to manage their differences as a way to avoid the cyber security issue from further escalating and going out of control. Thus, this has created an assault on and challenge to the stability of Sino-American relations.

The U.S. and China's respective emergency response agencies have maintained communication and contact on the issues of cyber attacks. The two countries' national security agencies, intelligence agencies and cyber-security agencies have all used the

appropriate mechanisms to establish relatively frequent and concentrated level of communication, actively managing any situations.

In late August and early September, leaders from both countries sent special envoys to make state visits. On the issue of cyber-security, they were able to engage in a positive dialogue and discussions, which was effective in increasing mutual trust and easing tensions.

In September, President Xi made a state visit to the U.S. His first stop was in Seattle where he attended the 8th U.S.-China Internet Industry Forum, and met with a group of representatives from the U.S.-China information sector. On the lingering issue of cyber-security, President Xi formed an agreement with President Obama.

In early December, the U.S. and China established the first U.S.-China High-Level Joint Dialogue on Cybercrime and Related Issues.

Looking back at 2015 and the lingering issue of cyber-security that encircled the U.S. and China, and the cooperation that was produced as a result, one can see that the issue of cyber-security has become a new topic in Sino-American strategic relations. Its significance surpassed the South China Sea issue and human rights issues, and occupied the top spot in the U.S.-proposed Sino-American strategic relations framework.

In practice, the U.S. government attempted to sensationalize the OPM cyber attack event to force China to accept its proposed rule for making the safeguarding against cyber theft of commercial secrets a norm, while simultaneously trying to avoid a head-on collision on the issue of cyber-security with China, which would threaten the stability of Sino-American strategic relations.

President Xi however advocated for “disparity control” and the strategic concepts of enhancing understanding and expanding a common consensus, while making efforts

to strengthen U.S-China cyber-security cooperation, and turning points of friction into sources of cooperation, and thus, creating a new bright spot in Sino-American relations.

IANA's Stewardship Transition Becomes The Most Prominent Issue in Global Cyber-security Governance

Since March 14, 2014, when the U.S. Department of Commerce's National Telecommunications and Information Administration (NTIA) began considering transferring the stewardship of the Internet Assigned Numbers Authority (IANA), including the Internet Corporation for Assigned Names and Numbers (ICANN), each relevant actor began actively promoting the transferring of regulatory powers.

After some relevant work on the issue in 2015, positive results and progress were made. The NTIA's intention on ceding regulatory power made clear that regulatory power must be in the hands of an organization that reflects the interests of different stakeholders, and not just a single country, government or international organization that takes over the regulatory power. Thus, the focal point of regulatory power was reflected in the transformation and enhanced accountability process made by ICANN's collective work in the past years.

In June 2015, the 53rd ICANN Meeting was held in Buenos Aires with hopes of completing the "IANA Stewardship Transition" by June 2016 during the 56th ICANN Meeting. Research fellow and director for the China Internet Network Information Center (CNNIC), Li Xiaodong, a representative of the IANA Stewardship Transition Coordination Group (abbreviated as ICG), was selected as the only Chinese representative to the DNS Security and Stability Review Group, as well as the ICG communication sub policy group.

In November 2015, ICANN held the 54th Meeting in Dublin, Ireland. According to their official website, ICG has already completed its reorganized IANA stewardship transition proposal, and is currently waiting for the CCWG-Accountability to finish

the first stage of its proposal manuscript, and for the Cross Community Working Group (CWG) to ensure these proposals or suggestions satisfy its demands. After the ICG finishes its proposal plan, it will consider submitting it into the NTIA process.

As a whole, the IANA Stewardship Transition in way touches upon the foundation of global cyberspace's most symbolic key resource, which is the domain analysis system's rooter server, root documents and the management of root documents. The transferring of these instruments' supervisory rights is the highest symbolic meaning of the governance order of global cyberspace's transformation. People are closely following the evolving situation and attaching great importance to it.

During the actual IANA stewardship transition process, an obvious gap has emerged between the abilities of different actors leading the efforts of amending and finishing the process. As a representative of burgeoning countries, China and other rising powers are still just participants, while the U.S., on the other hand, maintains the most control and influence over the setting up of the agenda. As to whether the IANA stewardship transition will be completed by 2016, there still exists some serious uncertainty on this particular goal.

On the other hand, the transition process has not only followed the direction of engagement, but also contains a relatively obvious sign of irreversibility. The international community on the issue of maintaining the internationalization of global cyberspace has a relatively remarkable common understanding, which suggests that the idea of one country being able control all of cyberspace is something that will be harder and harder to be accepted.

Despite the U.S. maintaining relatively dominant influence, after Edward Snowden revealed the Prism program in 2013, the fact of the U.S.' superior ability to abuse cyberspace have all made it more difficult for other countries, including U.S. allies, to continue accepting the U.S. control of core global cyberspace infrastructure, such as root servers and root zone file systems. Advancing the globalization, transparency and democratic order of governance became the main development trend.

The Issue of How to Manage Cross-Border Data Flow Triggers Significant Exposure

On October 6, 2015, The Court of Justice of the European Union (ECJ) declared invalid the Safe harbor data-transfer agreement that was signed between the U.S. and Europe in 2000, stating that the agreement did not guarantee personal data of EU citizens.

According to the ECJ's decision, "the Safe Harbor did not adequately defend EU citizens' personal data since the requirements of American national security, public interest and law enforcement were prioritized over the privacy safeguard clauses within the agreement. Thus, "the agreement was unable to restrain government organizations from data harvesting, and could not sufficiently protect the privacy of EU citizens." After the court's decision, the business practices of many U.S. cyber corporations faced a serious challenge, and thus furthered the debate as to how to effectively manage cross-data border flow.

Around this time, Microsoft and the U.S. government became locked in a long-standing lawsuit on this very issue. The main gist of the lawsuit is whether the U.S. government has jurisdiction to demand Microsoft to hand over data stored overseas in its servers located in Ireland, and to meet the needed for the law enforcement demands of the FBI. Before this, Microsoft had previously lost two lawsuits, but still pursued its appeal, heard in October by the U.S. Court of Appeals for the Second Circuit.

The management of cross-border data flow can be looked as the core issue in the governance of global cyber-security. With more and more people using network applications and consciously or subconsciously uploading their personal data on the cloud, the method and actions by which to effectively manage data have become the focal point for every interested party.

The U.S. government, particularly the FBI as the leading law enforcement organization on this issue, have taken a very tough stance. They believe they have the right to demand relevant user information from any organization headquartered within U.S. borders, no matter if it is stored outside or inside U.S. borders.

On the other hand, in contrast the stances of Microsoft and a group of tech companies, as well as the EU, have taken the position that it is more acceptable to restrict the government's jurisdiction, particularly laying emphasis on safeguarding personal privacy, and to adopt "localized" data collection methods. In respect to cross-border data flow, they believe that the processes and standards of an official treaty should be implemented.

How to effectively manage cross-border data not only was a closely-followed hot issue by many parties, but will also continue being so in 2016 as the issue expands, becoming more influential. In addition, it will be one of the main indicators on the new order of global cyber-security governance.

How to Effectively Deal with The Cyber Terrorism Threat Becomes a New Topic in Cyberspace Governance

In 2015, the issue of the Islamic State of Iraq and the Levant (ISIL) using new media on the Internet to spread terrorism, recruit new members, and incite attacks overseas, became increasingly monitored by relative parties.

On January 2015, the Charlie Hebdo attack, and the multiple terrorist attacks in Paris in November, forced the international community to pay attention to a new terrorist threat. In the midst of these events, ISIL used cyberspace to spread audio and visual content, recruiting new members and stirring up radical extremism, and encouraging the lone wolf-type of terrorist attacks. All of this sparked the discussion on how to deal with the threat of cyber terrorism.

At the present time, the international community still does not have a common consensus on what exactly constitutes cyber terrorism, and what measures to use to deal with the threat of cyber terrorism are the most effective. According to the U.S. definition of cyber terrorism, cyber terrorism is the act of using online methods to carry out attacks on critical infrastructure.

On the other hand, China and other countries are more inclined to believe the definition of cyber terrorism is using online methods to propagate and disseminate video and audio content, as well as instigating acts, etc. The U.S., however, believes that this type of definition will damage Internet freedom, refusing to accept this notion of cyber terrorism.

ISIL wreaking havoc has also attracted the wide spread attention of the international community. In mid-December 2015, the UN convened a special conference to deal with the issue of how to prevent terrorists from using new media as a cyber platform to carry out terrorist activities. In the end it was an effective discussion, but as to specific achievements, one will have to adopt a wait-and-see approach.

From December 16-18, the 2nd Wuzhen held the 2nd World Internet Conference. During the Wuzhen Summit, President Xi Jinping gave a very significant speech, systematically expounding upon China's position and view on the governance and security of cyberspace, and with respect to global governance of cyberspace, President Xi proposed the "Chinese plan", which in linking up with the issue of cyber security in 2015 undoubtedly added a momentous chapter at the tail end of 2015.

As global cyberspace continues to expand and spread, the international community's security, development and prosperity are becoming more and more closely linked to the security and stability of cyberspace.

The issues that have become the most important items in countries' national security strategies, and are becoming a new challenge to global governance, include avoiding

cyberspace being unilaterally controlled by a hegemon, exploring avenues that balance the protection of the stability of cyberspace and safeguarding the personal privacy of citizens, effectively managing the flow of cross-border data, and taking precautionary actions to combat the new threat of cyber terrorism.

2015 was only the beginning, as more arduous challenges and tests lie ahead, as we will see if people work and pull together in times of trouble.

15. Conclusion of the TPP: Effect and Response

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After countless years of strenuous negotiations, in October 2015, the 12 member countries finally reached an agreement on the Trans-Pacific Partnership (TPP) in Atlanta. Although the TPP still has to be ratified, one could say that the TPP has already made an historical leap. It's anticipated that the TPP will create a "domino effect" in the regional and international political economy.

A Series of Outcomes from The TPP Agreement

The successful completion of the TPP will most certainly have a significant impact on the layout of the Asia Pacific region and global political situation.

First and foremost, regional economic cooperation now has a new impetus, and the Asia Pacific region's integration process will further develop. The TPP was one of several attempts of Asian Pacific countries to stimulate further deepening of regional economic cooperation. Working hand-in-hand with the TPP is the Regional Comprehensive Economic Cooperation (RCEP) and the China-Japan-South Korea FTA.

The TPP, taking the initiative in reaching an agreement from a positive perspective, not only illustrated that regional economic cooperation has vast future prospects, but also that it will stimulate other regional economic cooperation mechanisms to develop further. One could anticipate that because of the TPP, the main RCEP negotiating countries will feel a sense of urgency to speed up the negotiation process.

In this sense, the TPP is a pioneer of the Asia Pacific region's new round of economic cooperation mechanisms. It will promote the construction mechanisms in other areas of economic cooperation, and finally, is beneficial for the overall integration of the Asia Pacific economy. In essence, the TPP creates a massive free trade zone that will expand across all Asian economic entities.

Second, new changes occurred in global trade rules. The TPP's proposed rules, in comparison to the current rules, contain a much higher standard. The TPP not only includes traditional reduced tariffs, it also includes quite a few rules and regulations, epitomized by lower barriers to market access, protection of intellectual property rights being more inclusive, labor and environment protection standards being more profound, legal binding force on trade disputes being stronger, and higher competitive neutrality, etc.

In a nutshell, the TPP rules are in accordance with the development direction of international trade, but at the same time they require member countries to promise and compromise more. The successful completion of the TPP will facilitate the U.S. and other TPP member countries to adhere to these standards in future FTA negotiations, and will also push other non-TPP countries to either actively or passively accept these standards. Because of the TPP and its example of high standard negotiations, it will become the main trend for FTA negotiations, and will certainly shape and lead international trade rules.

Third, further progress is made in the U.S. Pivot to Asia Pacific strategy, and with respect to the economic sphere, it gains a solid support mechanism. The U.S. inclusion and subsequent leadership of TPP negotiations, and advancing its Pivot to Asia Pacific Strategy, nearly occurred simultaneously. American diplomats and defense specialists universally believe that the TPP is the economic pillar of its Pivot to Asia Pacific strategy.

The U.S. can use the TPP to more substantially strengthen the economic connection with its allies, and enhance U.S. economic appeal and influence in the Asia Pacific region. If the TPP delays in making progress, it would directly limit the actual effect of its Asia Pacific strategy.

The fundamental reason President Obama went all out to promote the TPP agreement lies in the fact that the TPP directly concerned his political legacy after leaving office, and directly decided whether the final result of the Pivot to Asia Pacific strategy would be successful. Without the TPP's support, Obama's Asia Pacific strategy would become the largest "unfinished project" on diplomacy in his two terms as president.

Limits of The TPP Outcome

It should be pointed out that while the TPP will create the aforementioned effects, at the same time however, several significant limits still exist. Notable changes in the global economic layout, world trade environment and international economic governance have all already occurred.

Besides the TPP, there also exist other negotiations aimed at deepening regional economic integration. If the TPP continues to maintain its form as a closed-off, exclusive club, purposely excluding other economic powerhouses, it likely won't be able to achieve the best level of economic and strategic results. In a word, the TPP's influence should not be overestimated.

First, the driving force of the TPP on international trade growth is limited. Although countries like the U.S. and Japan are global trade powerhouses, most of the TPP member countries, however, don't have a substantial status in global trade. In a word, in 2014, the 12 TPP member countries' bilateral trade volume occupied about seven percent of the global trade volume.

From the experience of the development of international trade after the Cold War, there are two events that were truly able to have significant effects on global trade growth. The first was the end of the 1994 World Trade Organization (WTO) Uruguay Round of negotiations, and the second was China's entrance into the WTO in 2001. These two events notably drove massive growth in international trade volume, and thus advanced the global economy and the globalization process.

In the end, the TPP is only one component of regional FTA agreements among Asian countries. For example, major global economies in the EU and China are not a part of the TPP, so naturally the TPP's effect is limited.

Second, it will be difficult for the TPP to change the current and future layout of regional economy and trade. The status quo of Asia Pacific region's trade is decided by factors such as regional economies' geographical location, wealth of resources, economy level and labor of division situations and so on. These factors are not only long term-based, but also fundamental. Furthermore, market and capital have to consider trade and investments' inherent profitability.

If the TPP produced benefits don't surpass profits made from current trade and investment, market and capital incline to continue on the path of current trade and investment, and won't necessarily follow the TPP. With respect to current Asia Pacific economy and trade organizations, China is one of the hubs of trade and investment, which is the natural evolutionary result of countless years of the division of labor in the global economy.

Along with becoming stronger, China's status in the Asia Pacific region's value chain becoming more and more prominent, and its shaping force in regional economic relations continuously strengthening, the probability of the TPP creating any serious effect is relatively small.

Third, the TPP's effect on trade rules is limited. Some TPP member countries love to say that the TPP's rules are "trailblazing". This is undeniable, because some of the TPP rules truly reflect its advanced nature, such as labor standards, environment protection standards and intellectual property right standards.

However, closely examining the TPP's relative rules, most of them don't embody any particular progressive characteristics. For example, the signatories' visa provisions,

sanitary and quarantine inspection measures, as well as convenient custom measures and other provisions only advance the facilitation of mutual beneficial measures, but other countries can adopt such rules themselves. The TPP emphasizes the status of digital trade in international trade, to which major trade powers like China are paying close attention. With that in mind, the TPP's provisions will not be superior.

Even though these rules reflect new ideas, however these new rules do not represent the most optimum level; what's more is that they aren't the only rules. The TPP doesn't stipulate that FTA agreements among its member countries have to adhere to the TPP's version, but instead clearly acknowledges that the TPP can coexist among signatories of existing international trade agreements, including the WTO and other bilateral regional agreements.

This signifies that member countries can decide to sign agreements with other countries that are not uniform with the rules of TPP, and adopting other rules from other kinds of FTAs also have the same vast future development prospects. Additionally, the current and future main trend of international trade rules are still the WTO rules. TPP member countries strongly recognize this point as well, thus they "agreed to not adopt anything that conflicts with the WTO import-export restrictions and tariffs. Also, if a need for trade relief occurs, it also will not affect the rights and obligations of signatories underneath the WTO framework." This clarifies that the TPP rules still are based on the WTO rules, and not necessarily replacing the WTO rules.

TPP's Restraint on China Greatly Diminishes

The TPP reaching a final agreement certainly has an effect on China. However, the actual effect on China is different from when the U.S. first proposed joining the TPP years ago.

First and foremost, China already possesses the economic strength to resist any negative impact created by the TPP. China is already the world's second largest economy and is the largest trader of goods.

China's economic strength and trade volume far surpass the year 2010 when the U.S. announced its inclusion and subsequent lead in the TPP negotiations. If the TPP was reached in 2010, the negative impact it would have had on China could not be underestimated, yet currently, the actual effect on China is slight. With China's economy and trade scale developing further, the negative impact of the TPP will also be less.

Second, the majority of TPP member countries will not use the TPP as a tool to counter China. Quite a few Asian economies involved in bilateral and regional FTA negotiations have embraced a hedge negotiation strategy, not only entering the U.S.-led TPP, but also participating in the Association of Southeast Asian Nations (ASEAN)-promoted Regional Comprehensive Economic Partnership (RCEP).

The fundamental starting point lies in the fact that these countries wish to gain benefits from both the U.S. and Chinese market. This is a classic "sit on the fence" interest-based tactic, and not the result of choosing the U.S. to oppose China, or vice-versa. Even though some individual countries have the intention of using the TPP to isolate China, China has in fact, already signed bilateral FTAs with many of them. Because the TPP's solidarity is greatly reduced, the effect of "containing" China is rather poor.

Furthermore, the TPP's impact on China's actual trade is fairly small. TPP's effect on China's trade pathway can best be summed up in two aspects: tariffs and rules. From the perspective of reduced tariffs, the U.S. originally signed FTAs with a handful of TPP member countries, and the majority of goods have no tariffs. Even if tariffs exist, after several rounds of WTO negotiations, tariffs overall have already fallen to a low level.

From the perspective of rules, a vast number of Asian countries are more willing to choose rules that suit their countries, rather than blindly choosing rules of a higher standard. Thus, the U.S.'s strong push for high standards may perhaps have catered to the new trend of international trade, however, different FTAs with various rules mutually coexisting is something that will continue to exist for a long time in the Asian Pacific region.

From the perspective of Asia Pacific trade and economy cooperation, agreeing to a broader and higher standard Asian free trade zone is the ultimate goal, and whether it is China or the U.S., both countries have this aspiration. In this sense, the TPP is an intermediate form of the Asia Pacific economy and trade integration. In the long run, along with the RCEP and other massive regional FTA initiatives reaching agreements, the TPP's effect on China will be further minimized.

China's Choices in Responding to The TPP

The TPP is unable to produce a significantly negative impact on China. Exaggerating the TPP's negative effect is a misguided notion. However, China must also not overlook the TPP. From the perspective of its economic stability and sustainable development, China must respond to the TPP. This response is not only for the TPP's short-term effect, but more importantly, a focus on the future, using pressure as a driving force to elevate the international competitiveness of China's economy and rules influence. The most important tasks at hand include the following two points:

The first is to speed up the FTA negotiation process with other economies. No matter how much spillover effect the TPP has, itself is still an FTA. Looking back at FTAs, China needs to speed up the FTA negotiation process with other economies, big or small.

Looking forward, China must place an emphasis on pushing forward the RCEP and China-Japan-South Korea FTA negotiations in the Asia Pacific region. The first round

of RCEP negotiations happened in 2013, however reaching a final agreement will need some time. With the stimulation caused by reaching an agreement on the TPP, each negotiating country in the RCEP is expected to speed up the negotiation process. As a significant participant, China should supply more resources and inject more momentum into RCEP.

The China-Japan-South Korea FTA negotiation also has a great deal of significance, and a successful completion would further deepen economic integration in the East Asian region. China ought to use the already successfully concluded Sino-South Korea FTA as leverage and ignite the China-Japan-South Korea negotiation process.

The second point is that although China is actively promoting the One Belt One Road initiative, which is not an FTA in and of itself, it still possesses a realistic efficacy in advancing economic integration in the Asia. As long as China thoroughly implements the various items in the One Belt One Road initiative, adhering to the principles of mutual discussion, co-construction and mutual sharing, as well as supplying more economic products, and driving regional economic growth, it will inevitably help elevate China's status in the Asia Pacific region. To a large extent, this will resolve most inherent negative impacts of the TPP.

16. The United Nations and Global Governance: How the 70th Anniversary Will Carry the Torch and Forge Ahead

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2015 was the 70th anniversary of the founding of the United Nations. In commemoration, the UN held a large commemoration ceremony and a series of summits. The Development Summit for example passed the 2030 sustainable development agenda. At the same time, global and regional governance made huge progress, especially with the establishment of the New Development Bank and the Asian Infrastructure Investment Bank (AIIB), the promotion of One Belt One Road initiative, and the TPP reaching an agreement. All had the effect of speeding up the transformation process of global and regional governance.

From September 26 to 28, President Xi Jinping made his first visit to the UN headquarters, where he gave speeches at the General Debate of 70th Session of the General Assembly, the Sustainable Development Summit and the Peacekeeping Summit. President Xi also presided over the High-level Roundtable on South-South Cooperation and Global Women's Summit, advocating China's position on peace and development, and also announced that China will support the UN through a series of measures and actions.

On October 12, the Politburo of the CPC Central Committee conducted a special topic study on the issues of global governance structure and global governance systems. President Xi emphasized the push towards the development of a fairer and more reasonable global governance system, creating more favorable conditions for China's development and world peace.

Global Governance is Experiencing a Major Shift

This shift in global governance is mainly reflected in the fundamental changes in global governance structure and system, including the two aspects of global economic governance and global security governance.

Traditional global governance is constituted by the UN, the center of international security governance, and the Bretton Woods System, which acts as the world's economic governance. Their characteristics are first, that countries are the nucleus, a focus on major power coordination, and small-medium country participation, and second, a focus on duality, for example: global – regional, security – economy, center – periphery, developed countries – developing countries, and North – South.

However, the 2008 global financial crisis gave birth to new changes in the global governance structure and the process of its institutional reconstruction; rebuilding, and creation. It implied the real transformation of global governance. The transforming global governance, however, has produced new trends and features: The first is that governance went from a unilateral main entity to a diverse transformation that included states and non-states, governments, societies and markets, intergovernmental organizations, transnational corporations and the global civil society, which jointly became the body of governance.

The second change is in the way of global governance, where it went from the Western-dominant way to the global common governance, especially with emerging countries becoming a source of positive impetus in the transformation of global governance.

The third change that occurred is the main content of governance shifting from security governance to economic governance. On one hand, global security governance severely lagged and was inefficient, unable to effectively handle emerging global threats to security like maritime disputes, terrorism and cyber attacks. It was also unable to evolve efficient strategy in terms of regional security hot issues. On the other hand, global economic governance ascended dramatically.

The fourth major change was that the core of governance shifted from global to international and regional governance. The Asia Pacific region became the focal point

of global governance, reflected in the Asia Pacific Economic Cooperation (APEC), the Conference on Interaction and Confidence-Building Measures in Asia (CICA), Shanghai Cooperation Organization (SCO), East Asia Summit, One Belt One Road, Asian Infrastructure Investment Bank (AIIB), and TPP becoming the hot issues of regional governance.

The fifth change in governance breakthrough was in the field of finance. Whether the traditional International Monetary Fund, the World Bank, or the emerging BRICS Development Bank, the SCO Bank, the Asia Infrastructure Investment Bank or the Silk Road Fund, they are all bright spots in global economic governance.

In recent years, the transition in global governance made significant progress, including the first change, which occurred in the UN. The UN Development Summit adopted the 2030 sustainable development agenda, and the 17 objectives within the agenda will supply goals and a path forward on global development and international cooperation.

The Peacekeeping Summit passed a peacekeeping operation reform plan, establishing a standby peacekeeping mechanism. Even earlier, changes occurred with the proposed “Responsibility to Protect”, and the founding of the Human Rights Council, the Peacebuilding Commission and the UN Women as well.

The second is the IMF and World Bank’s reform. Even though the 2010 agreement of reform plan has failed to be implemented on schedule, the reform on the IMF’s shares and the World Bank’s voting power will be irreversible.

The third major progress was the development of the G20. After its 10 summits, it has transformed from the platform for handling the international financial crisis into mechanism for economic governance.

The fourth major progress was the “rise” of BRICS – the establishment of both the New Development Bank and the Emergency Reserve Fund signified the first time since World War II that an international financial institution without the participation of any major developed countries, which in regard to international systems acts as a supplement, and in respect to global governance, represents a guiding example.

The fifth progress was breakthrough in the Trans Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP). The U.S. promoting and leading the new norms and systems of transpacific and transatlantic trade and investment in essence is one example of western countries continuing to command global economic governance.

In the shift of global governance, China was the most important driving force. Following the 2014 Beijing APEC Summit which adopted the Asia Pacific free trade zone roadmap and the interconnection blueprint, in 2015, the progress of the One Belt One Road initiative, the AIIB and BRICS Development Bank - all initiated, advocated and led by China, which had a profound impact on regional cooperation and development governance, as well a great deal of transformative significance for global economic governance.

The UN’s Advantages and Resources

In the transition process of global governance, the UN has seemingly never made any significant changes. UN reform is more or less “more talk, less action”. As the hub of international order and global governance for 70 years, the current UN has however shown a trend of being marginalized. Therefore, standing at the top of 2015, the UN should carry the torch passed by its predecessors and forge ahead into the future. The UN should display its unique advantages and resources, and rebuild its central position in global governance.

On one hand, the UN ought to use its advantageous traits of universality, authority and globalism. The first idea the UN should adopt is promoting the notion and value

of universality. The UN should guide the promotion of notions of sovereignty and human rights, democracy and equality, freedom and development, fair and equitable and balance and tolerance.

The second idea is strengthening the authoritativeness and efficacy of norms and regulations. The UN ought to urge member states to better implement international law, treaties and UN resolutions.

The third idea the UN ought to adopt is pushing the global agenda and issues. The UN ought to condense the common interests on global threats like climate change, terrorism, public health, and on global common challenges in sea, cyberspace and polar regions, use its legislative system to achieve cohesiveness.

On the other hand, the UN should devote its efforts to strengthening its interaction with regional organizations and emerging multilateral mechanisms, for example, mutually sending representatives to respective meetings, and exchanging experiences and information, thus achieving a cooperative cohesiveness on global and regional governance.

The UN and G20 both compete and cooperate with respect to global economic governance. The two entities reflect different orientations and features of global economic governance. For example, the UN embodies the universality and equality of global economic governance, and the G20 on the other hand, emphasizes effectiveness and potency. Strengthening the cooperation and collaboration between the G20 and the UN is beneficial for increasing balance in global economic institutions, as well as for sustainable growth in the world economy. Furthermore, it helps in reflecting the reasonable concerns of smaller to medium-sized countries, and thus is helpful in achieving global economic cohesive cooperation.

The UN and BRICS both could mutually share the ideas, experience and agendas of development. On the one hand, BRICS countries could make use of the UN's

mechanisms and platform to increase coordination on global issues and elevate its position and influence in global governance. On the other hand, the UN could adopt the BRICS countries' effective model of cooperation in order to actively promote sustainable development as well as South-South development cooperation in the new period. The UN could also use its superiority in universality, representativeness, and authority to accentuate its comprehensive coordination feature, and transfer the emerging multilateral organizations and transformation force represented by BRICS countries to develop the UN's development systems, various special agencies, the development resources of funds and plans, and further consolidate to push international development cooperation, and magnify the legitimacy and efficacy of the framework of global development governance.

The UN could cooperate with emerging Asian multilateral institutions, and jointly commit to building a new order of Asian security and development. Using the One Belt One Road initiative as an example, which mainly borders along Asian countries, and other mainland countries' participation in transnational regional development propositions, it may perhaps mold the new order of Asian development, and could use the UN's mechanisms and platform to better promote itself. For example, with the connection of the goals of 2030 development agenda and the framework of South-South Cooperation it could further progress forward.

Using the CICA as another example, which covers the largest area, has the most members and is the broadest representational forum of regional security in Asia, the CICS actively advocates the common, comprehensive, cooperative and sustainable security concept. It hopes to build the foundation of Asia's new security order by establishing a new regional security cooperation architecture and jointly building a road for security that is shared by and win-win to all.

Asian countries could make contributions in respect to ideas and actions to the UN-led global security governance structure. At the same time, the UN could also supply a platform and path for the Asian security order. Under the UN framework,

Asian countries (especially East Asian and South Asian countries) strengthen cooperation in Peacekeeping Operation, which is also an effective way to build mutual trust as well as regional order.

China's UN Diplomacy Marches Towards a New Normalcy

With President Xi Jinping's attending a series of activities at the UN's 70th Anniversary as a symbol, China's UN diplomacy is transitioning from a participation model to a leadership one. This transformation is reflected in the following aspects.

The first aspect is that China for the first time is setting agendas. The High-level Roundtable on South-South Cooperation and the Women's Summit were both proposed and set up by China, as well as being mutually hosted by the UN and China, with President XI and UN Secretary-General Ban Ki-Moon together presiding over it. This event was one of several breakthroughs in China's agenda setting,

While attending and delivering speeches at various UN summits, President Xi proposed ideas and vision, contributing agendas and plans, as well as constructing regulations and rules, which has been the main boost behind the rise in China's multilateral diplomacy.

The second aspect is the establishment of a peacekeeping standby force. The UN's diplomacy is the center of China's multilateral diplomacy, and peacekeeping operation is the bright spot of China's UN diplomacy. Participating in the UN's peacekeeping operations helps the construction of Chinese forces, and is helpful in elevating China's overseas operational ability, as well as China's major power image.

The third aspect is the founding of a Center and a School. The Center for International Development Knowledge and the School of South-South Cooperation reflected China's new vision and measures on foreign assistance and international cooperation. It also bodes well for a breakthrough in China gaining a stronger voice on the international stage.

The fourth aspect is the foundation of funds that supply donations, increasing China's voice and influence. The measures and actions declared by President Xi during his visit to UN, including the establishment of the China-UN Peace and Development Fund and the South-South Cooperation Assistance Fund and providing donation to the World Health Organization and UN Women significantly contributed to elevating China's voice and influence with respect to these issues and fields.

The fifth aspect is attaching importance to the international rule of law. From 2014 to 2015, President Xi Jinping, Prime Minister Li Keqiang and Foreign Minister Wang Yi all proposed the legalization of international relations, safeguarding the authority and efficacy of international law, and elevating the status of the international rule of law. Rule of law is a mainstream value of the international community. If it's said that we have differences with the West on issues of democracy, freedom and human rights, then international law is a common issue on which China can hold a dialogue with western countries.

However, on many significant issues, China's transforming UN diplomacy still urgently awaits innovation and improvement. One issue is China's status and position as a developing country. China is the world's second largest economy, second largest contributor of UN regular and PKO budget, and the largest contributor of UN peacekeepers among five permanent members of UN Security Council.

President Xi announced a series of measures and actions to support the UN and developing countries during his visit to the UN. He announced that China's vote forever belongs to developing countries. However, there are over 130 developing countries with quite different interests and values. China is becoming more and more of a special developing country. China and many other developing countries are not always keeping the same positions on every international issue.

The second is the issue of UN regular and PKO budget. China "opposes being treated differently from other developing countries, and won't accept any calculation method

that surpasses China's payment capacity." But what's more important is that we should use this increase in the assigned assessment to struggle for more rights as well as to learn how to earn our money back from the UN.

The third issue is the UN reform issue. The word of UN reform is not mentioned in both China's position paper on the UN 70th Anniversary and President Xi's speech at the UN General Assembly. We should, however, adapt to the situation and trends of UN reform, and actually guide reform, not avoid it. Reform will make the UN more democratic, more influential, and more effective.

The fourth and final issue is internal corruption in the UN. John Ashe (Antigua and Barbuda), President of the 68th UN General Assembly was accused of accepting bribes, which accusation also mentioned member of the National Committee of the CPPCC. We need to prevent and avoid the issue of corruption in multilateral aid, and thus truly become a responsible major power in the international community.

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