VALUES IN CHINA'S ECONOMIC DIPLOMATION

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ABSTRACT

Rapid economic developments over the recent decades has made China to be the center of many researches. China has been known of having a unique technique of diplomacy. How a group of people interact with each other is strongly influenced by the values that has been developed in the social order. This paper uses research methods that focuses on literature reviews of books and articles that will explore the kind of values developed and is considered important and influential in the local society of China. This paper will also suggest techniques directly to China's economic diplomacy undertaken by both countries, individuals, or through joint venture.

Keywords: *economic, diplomacy, values, China, negosiation, trading*

A. INTRODUCTION

Widely known as a developing country with the most astonishing growth rates over the past three decades, China's reputation in the international world has continued to increase from year to year. After such a large amount of assistance was given to Asia to overcome the Financial Crisis in 1998, China bravely bought US bonds to help improve the economy of the superpower after the Global Financial Crisis in mid-2008. This confirms China's position internationally. China's rapid economic development in the span of 30 years is often written by analysts as one of the success stories of economic development in modern times. From 1978 (when cultural reform began) to 2008, China's GDP increased by an average of 10% annually. From 1980 to 2008, the Chinese economy grew 14 times (Morrison, 2009). China is now the second largest economy in the world. Researchers even predict that China will become the largest in the coming decades. Foreign trade and investment play a very important role in the country's significant economic growth. Ellen L. Frost in the article "Promise or Threat? China's Commercial Diplomacy in Asia "noted that at the end of 1990, the total Foreign Direct Investment (FDI) entering China was the third largest of total FDI in all developing countries. 2.7 percent of the total 9.7 percent of China's average GDP came from FDI. In 2003, total FDI entering China was US $ 54 billion, far surpassing the US which only recorded US $ 40 billion. A total of 23,500,000 jobs were created from this sector and more than 20.7 percent of total state taxes came from foreign investment companies located in China in 2005. In 2004, the total value of trade in Chinese products doubled. This, as explained by Morrison (2009), makes China the

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second largest exporter and third largest importer in the world. More than half the volume of trade is carried out by foreign investment agencies. Throughout 2006 alone, 594,445 foreign investment companies were registered with more than 480 of the world's top multinational companies entering the country. In 2008 total FDI entering the country was US $ 92 billion. China is now listed as the third largest FDI destination in the world.

Combining trade surpluses, FDI flows and large-scale purchases of foreign currencies made China hold the largest foreign exchange with a total of US $ 1.9 billion at the end of 2008. More specifically, China produces 70 percent of the world's total toys and 10 percent of the world's total telecommunications equipment companies. And around 60-70 percent of total production is exported for foreign needs. Although the global financial crisis had a significant impact on economic development, in 2009 China's GDP growth was still recorded at 8.9 percent in the third quarter, up from 7.9 percent in the second quarter. Many researchers also predict that the economy will start to slow down or even decline sharply in 2009. Millions of workers have been reported losing their jobs and this is the main point of attention of the Chinese government who see healthy economic growth is very important to organize national stability. The data above states the extent of expansion by China. On the one hand China continues to need funding, on the other hand it continues to expand its influence in the international world in the form of being an investor or aid country. One important note that needs to be underlined is the way that China is used as a whole does not rely on military power (hard power), but soft power. "Building a Harmony" is China's main principle in establishing foreign policy, and the main method used is diplomacy. The diplomacy used is unique. China boldly supports Iran in the procurement of gas, credit and technology pipelines, while the US and Europe are working hard to suppress Iran's nuclear development. China also built a gas pipeline from the Bengal bay in Myanmar to China's Kunming Province, while the central government in Beijing refused to cooperate with the United States to fight money laundering and drug trafficking in Myanmar. This makes China's position very representative as well as a dilemma. When other countries flocked to adapt to the western style of negotiations, in the case of China, it is western people who have to adjust to the style of negotiation in China.

A large population and a very large area, making investors must be extra careful when negotiating with China. The state system adopted is also different from most countries which only have one system (capitalist or socialist). China chose to walk in balance between the two systems, calling it a capitalist with Chinese characteristics. It is difficult to predict the same mindset among 1.4 billion Chinese people and it is also difficult to implement the same negotiation system in the same

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open investment areas for every place in China. It is important for investors or FDI source countries to find out which countries they are investing in or who they are actually working with. Observing various uniqueness and characteristics possessed by China during diplomacy or negotiating on the negotiating table, the author is interested in examining the basic characteristics of Chinese society that influence attitudes and mindsets on the negotiating table. Values are the main focus in this paper.

Values dalam Kerangka Analisa Politik Luar Negeri

David Easton described politics as being in a state of turmoil. Therefore, Easton's focusfocuses on the question of how to manage a system that remains intact in a turbulent and volatile world situation. So, to answer this question, Easton believes in the importance of conducting research on the interaction of the political system with the environment, both within and outside the scope of society. Put simply, Easton revealed understanding the political system as well as understanding other systems such as the economy, all of which are subsystems of the larger system. However, the political system in Easton's view is special, because it has the power to make decisions that bind all members in the system. Easton views the political system as a stage of decision making that has limits and is very flexible (changes as needed). The political system model consists of input functions, in the form of demands and support; processing function (conversion); and the output function as a result of the political system process, more clearly as in Figure 1 below:

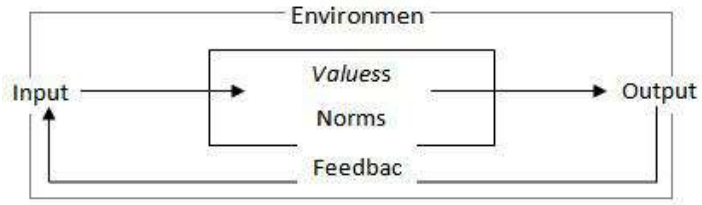


Figure 1: Analysis of Political System Models

When a system receives an input in the form of events or phenomena that occur in the world of society both nationally and internationally, there will be an output in the form of policy. When the management process occurs (conversion), there are several factors that play an important role, namely: environment (environment) and values (values). The environment is a major factor in how an input (event can occur) and the policy management process occurs, the environment is an important factor that must be considered. Howard Lentner revealed two determinants of a country's foreign policy making, namely: domestic and foreign. The things that happen at home and abroad have a very big influence on the policies taken. However, equally important are Values (values).

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The concept of values (values) that apply in politics are not as congested in economics which is often interpreted as just efficiency / profit. In politics, values work based on norms that live in the community (Yustika, 2009). Values originate from the norms held by a society, regarding what is considered good and bad by society. Drs. Suparto expressing social values has a general function, including values that can contribute a set of tools to direct the community in thinking and behaving. Kimball Young argues that social values are abstract and often unconscious assumptions about what is considered important in society. Values are born and develop as a result of interaction between citizens and are influenced by the culture that develops in a place and influences the social development of the community. The real representation of values is people's attitudes and behavior from the place where those values originate and develop. What is trusted by the local community and run by them, then that is what is called values. So in the context of the Analysis of the Foreign Political System, it can be concluded that the values of a society or also called social values are important. And because values develop somewhere, the values for each region and region on earth cannot be generalized. This is what makes a country unique and unique.

Characteristics of Chinese Behavior

China has a long history and a great culture. Its residents are proud and more concerned with past history than the west. There are many stories and legends that flourished in China, most of them dating from hundreds or even thousands of years ago. And from each of these stories there are many philosophical lessons contained by thinkers who are well known to the public. Talking about the behavior and nature of the Chinese people, cannot be separated from Confucius. Confucianism is the first ethical school of thought that places common interests above other interests. Ideally ethics is centered on the basic meaning of goodness, containing the main forms of moral values, with the most important part of devotion to parents and noble duties, and loyalty and virtue.

Chinese culture has always provided an important place for godliness. Confucius's philosophy holds that a good family is a good foundation for a good society and a good family is based on the love of parents for their children and the devotion and obedience of children to their parents. Devotion to parents along with loyalty, obedience and integrity shapes morality that Confucius followers have tried to instill in the hearts of the people throughout the history of the Chinese nation. Various philosophical schools continued to develop during the long history of the development of Chinese society. In terms of morality the basic principles of several

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philosophical schools of thought collide with each other. Time has shown that some philosophies are only suitable for the political climate of his time, developing and then disappearing quickly. Philosophy that withstands the test of time will continue to shine throughout history (Song Shouxiang, Professor of Chongqing Jianzhu University of China, author of "Loyalty, Loyalty"). From this came the strong traditional Chinese values that have broad meaning in Chinese society.

The integrity of a government, order and social harmony are factors that have a direct impact on the law and morality of society. By developing values that can still be applied and discarding those that are obsolete, there is new meaning given to traditional Chinese moral values. In the current condition of the modern economy, this rule of morality can still provide practical meanings. This is what distinguishes China from other countries. Appreciation of historical and cultural values that are so strong and thick can be seen directly from everyday attitudes and behavior. Although Mao Zedong tried hard to erase the influence of Confucius thought in the 1960s and replace it with Socialist teachings, it only became a dramatic historical drama and was a criticism of the regime for years. It was this strong influence of Confucius that made the total Socialists set by Mao Zedong lame. Deng Xiaoping, in the spirit of renewal, overhauled China's political system to become more open and capitalist. The economy began to grow rapidly and China tried to crawl back to its original position, becoming a country they always call the 中国 (zhōngguó), a central country. However, although the political and economic system comes from outside (Marxism and Liberalism are not teachings originating from within China), but in practice, the roots of the thoughts, attitudes and behavior of Chinese diplomats and business people are a reflection and representation of the teachings of Confucius.

Here are some of the characteristics of China stemming from Confucius thought:

关系 (guānxì: Network of Relations) "Don't always remember the help you have given to others, but you should not forget to return the favor you have received from others."

Guānxì can be interpreted literally as a relationship. For the Chinese people nothing is more important than one's position in the network of social relations. Initially, the important concept of guānxì originated in family relations, but this idea has widened and included friends, friends of friends, former school friends, relations and people who share the same interests The medium of creating guānxì is a reciprocal relationship. This relationship can be in the form of help or assistance. This long-term reciprocal relationship works well in the context of long-term personal relationships. In China, this disregard for reciprocity is bad manners; something immoral. Potential business partners from China must be approached through their network. Guānxì can

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be an important source of influence during negotiations. The reference of an influential member of the guānxì can strengthen the position in negotiations rather than the myriad of accurate technical information. With the importance of the role of the guānx China in Chinese business culture, it can be seen that it is very important for foreign negotiators to first build a guānxì network before starting negotiations with Chinese negotiators.

面子 (miànzi: prestige) "Those who like to lick to rich and powerful people are despicable."

The concept of miànzi in China is very similar to the concept of sovereignty and prestige in the US. Miànzi determines one's place in social networks. This is the most important measure of social value. Miànzi can be great wealth, intelligence, appearance, expertise, position and guānxì. Breaking promises, showing anger, or displaying inappropriate behavior can cause the negotiator to lose face / miànzi. Giving compliments can mean showing social recognition to the other person, but excessive praise signifies insincerity that causes the loss of miànzi. Moral is the main foundation of Chinese people's behavior. The moral perfection of human beings, whether as a king or ordinary worker, is always a major concern. The essence of morals is virtue (仁: ren). The definition of ren proposed by Confucius is "human love"; which means the child's good deeds to parents, love for siblings and relatives, being kind to parents, doing good to others regardless of their social status and relationship with someone. And all of this refers to self respect. Treating others well, means treating yourself well. Showing high respect for negotiators, means we can maintain the trust given to the Chinese people absolutely necessary.

裙带关系 (qúndài guānxì: kinship) "People who value money more highly than their parents are children who are not virtuous."

In the social structure of Chinese society, family is the most important. The family became the most basic social unit and this applies from the past until now. Gordon Redding in Spirit of Chinese Capitalism said that Chinese-owned companies rarely developed beyond the boundaries and boundaries of extended families. This also gives color to Chinese capitalism, something that cannot be found in the United States, Japan and Europe. Appreciation for elders or even deceased ancestors is a legacy of Confucius's teachings which is still attached to this day. This shows the high appreciation of the Chinese people for the history and teachings of the past. For the people of China, nepotism is the glue that holds all parts of the organization together. The family business is very autocratic where the father figure usually acts as a leader. Uniquely, quarrels may break out in family meeting rooms, but they will always come up with a single voice when facing outsiders. The strong social and family ties that

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live in the Chinese business system are one of the characteristics of the Chinese negotiators.

社会 等级 (shèhuì děngjí: social hierarchy) "In one family, parents and children, husband and wife, older children and younger children, must do their respective tasks. They all must obey the rules of good behavior and use appropriate language. "

There are five important types of relationships established by Confucius; relationships between leaders and leaders, husband and wife, parents and children, brothers and sisters, and friendship. Those who are led (wife, children and younger siblings) are advised to give their devotion and loyalty to get love from their leader. Compliance with vertical relationships will result in social harmony. Status is no joke, age and rank and status are important things to consider when negotiating. Respect for an older or higher social status can make a harmonious relationship, and this harmonious relationship is very important for negotiations.

吃苦耐劳 (chī kǔ nài láo: never give up in bitterness and suffering) "We have to repair the house before it rains and it's not too late to dig the well when we feel thirsty."

Chinese people are known for their very high work ethic. Hard work, even in the most difficult times is his idea. This hard work has started early, in schools with a number of hours of study, the number of school days and school periods that are far longer than most other countries, making perseverance, sincerity and preparation as the main characteristics of the Chinese work ethic. And again, this cannot be separated from the influence of Confucius who had also been implanted early in the person of Chinese society.

整体 观念 (zhěngtǐ guānniàn: holistic view) "Whatever you do, try to take the time to think about unexpected conditions. If you succeed in an endeavor, don't over-expect that success will repeat itself. "

Another special characteristic is the ability to see the big picture. Since childhood, children are educated to recognize letters / characters that resemble symbols and images. These characters can only be interpreted by looking at the whole character, because one character can consist of several elements that are just complete and have meaning if all of them are combined and seen as one. Therefore, Chinese people tend to talk about problems at once, circling around the main problem. And when implemented in business, the Chinese are better able to solve problems globally, rather than the detailed and detailed division of problems as is commonly applied by western negotiators.

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令 和 谈判 (ling hé tán pàn: trust and negotiation) "Experienced, careful and simple people can be relied upon in difficult conditions."

In Chinese culture, cooperation and mutual trust between family members is a standard procedure. Reciprocal relations and negotiations arise from the interdependence that has been created. However, one basic principle of negotiation believed by the Chinese is the principle of winning and losing and this can be seen as a type of warfare. Business and economics are today's battlefields. No wonder the war strategy written by Sun Zi can be implemented in today's business world. The most important thing from negotiations is mutual trust. It is always difficult at first for people inside the Chinese hierarchy to negotiate. However, if mutual trust has grown, then at that time, the best types of commercial relationships can be negotiated

B. METHOD

In an effort to meet national interests, cooperation is a very reliable way. The battle of the prestige of military power can no longer be used as a determinant of the success or failure of an entity (State, Group, MNC, NGO, Individual) to achieve its main goal. Cooperation is the technique, negotiation is the medium and diplomacy is a means of conveying interests in a negotiating forum. It is important to recognize everything about the other person, to get effective communication. Adjusting to your opponent's habits is the best way to adjust the interests of both parties. Different places and negotiating opponents, then different diplomatic techniques are used. China as a country that has become the most promising place of investment today really understands this. One thing that needs to be understood is the high level of Chinese nationalism. This makes China's respect for ancestors and cultural heritage and history of the past become so thick and strong. As explained in the previous section, that which has been the key to the Values of China over the past hundred and even thousands of years is the strength of the teachings adopted by Confucius. Confucius's teachings have an influence and are strongly attached to the personality, mindset, behavior and even attitudes and characteristics of the Chinese people. Throughout Chinese history, it has been recorded that there have been two major erasure of Confucius teachings. The first occurred during the reign of Emperor I of China, Qin Shihuang who killed more than 400 scholars and burned all the teachings of Confucius. At this time, the last book of Confucius, the book of music, was lost without trace until now. The second occurred during the cultural revolution initiated by Mao Zedong in the 1960s.

When the People's Republic of China (PRC) was officially established by Mao Zedong in Tiananmen Square, Beijing on October 1, 1949, most Chinese people

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welcomed the centralized government based on socialist teachings. At that time, collective arrangements for life in rural areas continued. Until 1957, there was a massive purge of opponents of Mao's policies. The Cultural Revolution led by the Red Guard (an army formed by Mao consisting of high school students and militant students, to become paramilitary units throughout the country) was tasked with attacking everything that was traditional. Various sites and historical relics were destroyed. All matters relating to the opposition of Mao's teachings including the followers of Confucius were burned to the ground. However, all of these things do not have much influence on the basis of Chinese values. The values of Confucius's teachings remain the main foundation and reference for most Chinese citizens to behave, act and behave. For example, when the Communists first took control of Mainland China, one of the first actions was to give women and men the same legal status. Officially, women get the same salary and status in the world of work. Women hold important positions in factories, offices, ministries and the armed forces. However, the teachings of Confucius who still held fast to the position of men over women were still alive. This can be seen from the unbalanced statistics of male population compared to women. Where the number of men far exceeds women. In this case it can be seen that the influence of values originating from within the country (Confucius) is much stronger than those originating from abroad (Marxism).

Another thing that can be seen in relation to the strong influence of Confucius' teachings on the social fabric of Chinese society is the close family relations in Chinese business governance. The social equality of the communists has reduced the importance of family relations (qúndài guānxì) in China. Because most of the wealth and resources in China have been controlled by the Communist party since 1949, the system of government has changed. Many members of the ruling party (in China, are still legalized by a dual position system, where someone who has a position in the party can also hold an important position in the military or state company), a small portion of the government elite, students of well-known universities such as Qinghua University and Beijing University , often occupying a more important position than family relations. However, this only happens in the country. At the same time, in Hong Kong, Singapore, Taiwan, the United States and even Europe, the important concept of family relations (qúndài guānxì) still continues to be firmly attached to the nomads from the bamboo curtain country. And as communist prestige faded in mainland China and China reopened with the outside world, in the end the important concept of family relations (qúndài guānxì) returned to its position. Once again, this proves that even though China has run a system derived from foreign influence (Marxism), the strength and wisdom of local culture remains deeply rooted in the social fabric of Chinese society.

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Some of the examples above, show that although communism has resulted in the destruction of the social system of society, the basis of Confucianism continues to be attached and practiced closely in various elements of Foreign Policy. The author is of the opinion that one of the strong representations of Confucianism in Chinese Foreign Policy is its attitude not to interfere in the domestic political affairs of other countries. China's interest in the country is to work together in the economic field and this has nothing to do with the country's domestic. A concrete example that can be seen is the case of Iran. For the writer, it is clear that China is not disturbed by the political situation in Iran. With courage, China supports Iran in the procurement of gas, credit and technology pipelines, while America and several other European countries are busy pressing Iran's nuclear development efforts. This has received a positive response and appreciation from Iran and other countries that have similar cases of Iran against China's position. This award makes China strong in the eyes of Asian and African countries which bring strong support for China's actions in the international world. The important concept of miànzi is clearly illustrated. The assistance provided was not expected to be rewarded at the time, but certainly there was a time when China needed help from other countries. And this is again proven in the case of Human Rights in Tibet. Many countries support China and consider the case to be a domestic problem of the Chinese government, so there is no need to be contested. The data and examples above, bring us to see a condition where the importance of the role of values in the attitudes and behavior of a nation in the face of international phenomena that occur. Various decisions and actions of China in the international world, can not be separated from the influence of Confucius teachings that are already very strong in every Chinese person. If seen from the political system analysis chart developed by David Easton, it can be seen that there are three important phases of the political system, namely input, processing (conversion); and the output function as a result of the political system process. Input can be the same for every country in the world.

An example case for this model is Myanmar. The event / input is the practice of money laundering and drug traffic which is very widespread in Myanmar. When this happens, the next process that occurs is the conversion / processing process. In this process the values, environment and interests of the country play. If the United States has the characteristics of a sequentially arranged approach to solving problems, break down a series of complex problems into smaller ones and solve them one by one as in the form of criticism, embargo or even an act of military invasion. So China looks more at the broad picture, maps out what its interests are in Myanmar and how to solve problems without disturbing their interests. Because of this, China prefers not to cooperate with America in overcoming the Myanmar case. This processing is the most important part of a political system where a similar case can produce different

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solutions. This makes China's economic diplomacy different. Various literature states that the United States itself has difficulty when it comes to negotiations with Chinese negotiators. Cultural differences and values are the basis. And it is important for negotiators to understand the culture and values that develop in places where investment or cooperation will take place.

C. CONCLUSION

The behavior of a country in the international world is inseparable from the strategy and political system set by the government of its country. One thing that is very influential for foreign relations between countries is the embedded values and influence in the lives of the country's people. Values in the Chinese system are very different and unique, so that sometimes it creates difficulties for foreign diplomats or business people in dealing with China. It is important to know and understand the system of values in the Chinese and Confucian societies as a teaching that has developed in China since five thousand years ago remains the root of Chinese society's values. Therefore, to be able to better understand the diplomacy techniques used at the level of China, individuals, and corporations, learning and understanding what and how values and even Confucius's teachings are highly recommended.

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