

THE RISE OF CHINA'S SOFT POWER: THE EFFICIENCY OF CHINA'S INVOLVEMENT IN THE DEVELOPING WORLD

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Abstract

My research deals with the increasing role of Chinese soft power around the world. It observes the characteristics of China's foreign policy and examines soft power tools China uses to pursue its interests. The thesis will present how China's soft power works in the developing states. Furthermore, research will develop arguments why China chooses developing countries for exerting its influence. It will show how China's influence in developing states effect government leadership and elites, which are attracted by China, due to its disinterest in the countries' internal affairs and reforms. My research will illustrate the consequences of Chinese involvement and examine the durability of Chinese soft power. The case studies of the Democratic Republic of Congo and Myanmar will show the efficiency of Chinese soft power policy and will illustrate the results of China's engagement on societal level. Moreover, it will show why China's involvement is not always welcome in the developing world. Subsequently conclusion will be drawn what China has to improve in order to endure its development, be welcome in the developing world, and be respected on domestic and international level.

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List of Abbreviations

ACFTA – ASEAN-China Free Trade Area

APEC – Asia Pacific Economic Cooperation

ASEAN – Association of Southeast Asian Nations

DRC – Democratic Republic of Congo

FOCAC – Forum on China-Africa Cooperation

IMF – International Monitoring Fund

NAFTA – North American Free Trade Agreement

SCO – Shanghai Cooperation Organization

UNDP – United Nations Development Program

Introduction

China has shown rapid economic growth in the last two decades and has attracted attention as a rising power. For the last two decades, China has been conducting foreign policy, which aims to make China more attractive and be a desired partner, which conceptually refers to the tools of soft power. Today, China's soft power primarily derives from its economic strength. China's international diplomacy is expressed in establishment of solid political and fiscal connections with African, Latin American, Middle Eastern and East Asian governments by increasing foreign aid, cultural exchanges and advancing "soft loans" to promote pro-China understanding through quasi-governmental projects.¹ China's rise and its soft power is very popular topic around the world but less attention has been paid to analyze the efficiency of Chinese involvement in the developing states and evaluate the durability of Chinese soft power policy. The aim of my research is to show how, despite its positive effects on one side, Chinese influence causes implications for the sustainable development of third countries and therefore state why China will encounter limitations in its soft power.

Method that I use for my research is qualitative content analysis incorporating case studies. I chose case study research as a research strategy and qualitative content analysis as a method of examination of data material. This will be the integration of qualitative content analysis into the data analysis in case study research. I chose this strategy because this method will enable me to observe and interpret events. I gathered data from the reports of international organizations, newspapers, official state agreements, speeches and academic sources. Qualitative content analysis is systematic by nature and can allow me to address information more

¹ Michael Hsiao, "Transformations in China's Soft Power toward ASEAN", *China Brief*, Vol. 8 No. 22, 2008, 11

consistently. With this method, I expanded my research process to large amounts of material and information, which I could assess to support my statement. As a shortcoming of this method, I would mention its inability to alter the environment or introduce new information and facts, as for example, surveys do, but I do not consider this fact hindering because my research question is not related to inventing or reinterpreting certain theoretical concept. My research serves to explore, analyze, and understand the methods of certain policies and examine its consequences objectively.

In the first chapter, I will review the concept of soft power, firstly defined by Joseph Nye and present its cases in western experience. Further, I will present two Chinese schools about soft power in order to make clear what soft power is in Chinese experience, which creates debate with Nye's conceptualization. I will incorporate empirical examples from Chinese recent policies in order to make connections for theoretical debate. Based on the differences between Nye's and Chinese school approaches, I will identify gap which is the fact that China's soft power aims attracting governments and elites rather than society, which is the main target according to soft power's original definition. Therefore, based on this finding I will discuss how China's soft power works today.

In the second chapter, I will review Chinese foreign policy and introduce examples of Chinese soft power around the world, showing its positive achievements. However, in the third chapter, the case studies of the Democratic Republic of Congo and Myanmar will support my thesis statement that Chinese soft power target is not society, like in western experience but rather government leadership, which serves to China's political interests and this soft power does

not always have positive results. Joseph Nye, who firstly defined the concept of soft power, remarked that states produce soft power only in the circumstances where cultures and ideologies are similar rather than broadly different.² Therefore, I will show that China manages to exert its soft power mostly in authoritarian and less democratic countries, which are attracted by China due to its disinterest in internal affairs and reforms. However, China still encounters obstacles on societal level. I chose these two countries, because I think the examples of these two countries clearly support my arguments, that despite certain positive effects, Chinese soft power in the developing countries sometimes have negative results on local development and Chinese model and influence is not welcome in the society of these countries due to its regime and ideology.

Therefore, I will argue that Chinese soft power is not durable in the longer perspective because with positive effects on one side it also causes negative results for developing countries which lack democratic standards and experience deep social and economical problems. Subsequently, I will draw conclusion that the characteristics of China's current involvement in the developing countries puts limitations on its soft power and poses a question mark to its ability to become a strong power. Therefore, I will make conclusion how China should carry out its foreign policy in order to ensure its place as powerful and respected state on international arena.

² Joseph Nye, "Soft Power in the Information Age", lecture at Harvard University, cited in Bates Gill and Yahzhong Huang, "Sources and Limits of Chinese Soft Power", *Survival*, Vol. 48, No. 2, 2006, 16

Chapter 1 – Literature Review: The Concept of Soft Power

Defining Soft Power

The concept of soft power was firstly defined by Joseph Nye. He stated that “soft power rests on the ability to shape the preferences of others...with intangible assets such as an attractive personality, culture, political values and institutions, and policies that are seen as legitimate or having moral authority.”³ Nye states that there are two ways to achieve desired outcomes - by force or by attraction. Soft power is about ability to have impact on others' behaviors by attraction, persuasion rather than by force and coercion. Military power does not always guarantee to get desired outcomes. Soft power is about “shaping preference of others” by attraction and this is a main feature which distinguishes it from hard power.⁴

Soft power is often contrasted with hard power, which was the main measurement of power in the last century. Hard power was part of Realism in IR theory but after the changing role of military power, development of technology and advancement of information technologies soft power became more important. Nye claims that soft power resources are associated with the co-optive ends of behavior, whereas hard power resources are usually associated with command behavior. Hard power incorporates coercion, command and its resources, which come from sanctions and force while soft power is about agenda-setting, attraction and is based on culture

³ Joseph S. Nye, “The Changing Nature of Soft Power” in *Soft Power: The Means to Success in World Politics*, (New York: Public Affairs, 2004), 5,6

⁴ Nye, 2-6

and values. However, hard and soft power sometimes reinforce and sometimes interfere with each other.⁵

According to Nye, soft power includes the idea that ideological influence is the most powerful strategy to get desired outcomes. The latter is implemented through institutions and policies. Soft power has its sources: culture, political values and foreign policy. Soft power has its limits and shortcomings. For instance, popular culture can produce soft power only in the circumstances where cultures are similar rather than broadly different.⁶

Nowadays, in the era of mass communication, economic and cultural globalization, power has different meaning; the most powerful actors are those who create opportunities, attractions and not those who issue threats.⁷ Therefore, we can assume that the role and importance of soft power has been increasing and it is up to the countries how successfully they can use soft power to achieve their objectives. Throughout the twentieth century, we can easily trace the examples of the use of soft power and the outcomes of it, namely how different states pursued their national goals through soft power tools.

American Soft Power

As I have emphasized above, the source of soft power is attractiveness of country's culture and political ideals. Speaking of soft power, probably what comes the first in our mind is the US. It is easy to mark evidence of American soft power: Roosevelt's Four Freedoms in

⁵ Nye, 8

⁶ Ibid., 16

⁷ John McCormick, *The European Superpower*, (New York: Palgrave Macmillan, 2007), 11

Europe at the end of WWII, people behind “Iron Curtain” who were listening American news and music through Radio Free Europe, Chinese students symbolizing their protests in Tiananmen Square by creating imitation of the Statue of Liberty or Iranian population watching banned American videos.⁸ However, American soft power was reduced after pursuing non-popular policies like Vietnam War or recent Iraq War. The soft power of the US was sharply declined after Iraq War, but we still witnessed how the US soft power was introduced and implemented throughout the latter half of the twentieth century.

Attractiveness of the US image depends on its ideas and attitudes. Ilgen underlines three main resources that have produced American soft power: culture, domestic policies with its values and the style of foreign policy.⁹ It should be noted that soft power is mostly successful when values can be shared. For example, the US policy of Marshall Plan in Europe was accepted because what America exported was federalism, democracy and open markets on value side which were shared by Europeans.¹⁰

America has managed to establish consensual hegemony through the appeal of its ideals which were realized in practice - the land of personal freedom, of equality under the rule of law, of social and economic opportunity.¹¹ These ideals played particular role during the battle against Fascist and Communist regimes, when America was becoming rising power and “Good” power against “Evil”. This period was further followed by decolonization process and self-determination of the nations, which also contributed to the rise of American ideals.

⁸ Thomas L. Ilgen, *Hard Power, Soft Power and the Future of Transatlantic Relations*, (Burlington, Ashgate Publishing Company, 2006), 26

⁹ Ilgen, 28

¹⁰ Gier Lundestad, *United States and Western Europe since 1945*, (New York: Oxford University Press, 2003), 155

¹¹ Nathan Gardels, “The Rise and Fall of America's Soft Power”, *New Perspective Quarterly* Vol. 22, N 1, 2005, 67

Since cultural attractiveness is one of the main tools of soft power, it is crucial to note that cultural attraction helped the US to obtain favorable outcomes in relation to its main goal – democratic reconstruction of Europe after WWII. Marshall plan and NATO were crucial elements of economic and military power but it should be emphasized that popular culture at that time played an important role. As Reinhold Wagnleitner remarks “The fast adoption of popular culture by many Europeans after the Second World War...rejuvenated and revitalized European postwar cultures with its elementary connotations of freedom, casualness, vitality, liberality, modernity, and youthfulness.”¹² The rise of the media-industry in the US in the postwar period also had wide influence through the mass culture of Hollywood movies and popular music.

From the facts mentioned above, we can assume that the US is probably one of the best examples of using soft power for national interests. However, mentioned examples show that the attractiveness and soft power influence may be reduced due to the unpopular policies which are not supported by others.

EU Soft Power

The twentieth century was traced with revolutionary developments and changes. After the collapse of the Soviet Union, bipolar world system, dominated by USSR and the US stopped its existence and after 1990, the EU was given rather significant role on international arena. The importance of the EU’s influence and its significant role comes from its common values and norms; namely, from the principles of democracy, the rule of law, social justice, human rights, market economy, and the fight against discrimination.

¹² Reinhold Wagnleitner, “The Empire of Fun, or Talking Soviet Union Blues: The Sound of Freedom and U.S Cultural Hegemony in Europe,” *Diplomatic History*, Vol. 23, 1999, quoted in Ilgen, 29

Nowadays, the EU plays an important role on international political and economical arena. The EU has been known as the actor which has remarkable influence and this influence is not carried out by force or military capabilities but through peaceful negotiations and cooperation. The EU's role in regulating conflicts, solving problems connected with economic, environmental and other areas are crucial. The EU owns soft power by which it succeeds to implement its goals and policies on domestic and on international level.

Since its beginnings, the EU practiced various ways to use its soft power. Soft power is a very characteristic aspect of the EU politics. The series of enlargements to the EU shows the efficiency of the EU soft power, and illustrates the EU member states commitment to peace, freedom and prosperity which was fundamental motivation of original six founding nations. Now these commitments become motivation for candidate countries. The EU is an example of the possibilities that can be achieved through successful, peaceful regional integration. Besides European enlargement process, the EU practices its soft power by having leading role in trade, by being the most concerned about the climate change and by helping less developed countries.¹³

The EU introduces values, attitudes, policies and approaches which immediately attract and persuades member states to harmonize and converge their policies according to these elements. Based on this ideological seduction, candidate and potential candidate states are automatically involved in these processes and therefore are influenced by the EU's soft power.

¹³ McCormick, 86

McCormick talks about the rise of post-modern Europe. He states that Europe's priority is not military power but attitudes towards government, social and economic structure. Common market is more than market as it represents struggle for power and an effort to make the world Eurocentric.¹⁴ All these soft power elements are included in the policies that the EU implements. Therefore, displaying efficiency and universality of European values and diffusion of the norms through expanding area of influence becomes the main tools to practice soft power.

The facts mentioned above show that the instruments through which the EU practices its soft power are various. The most part of it are represented by diffusion of norms, values, principles. The EU owns a distinguished way to attract audiences and persuade them in incorporating these norms and values. The evidence of the EU soft power is the process of domestic reforms which take place in candidate and potential candidate countries.¹⁵ Therefore, the EU enlargement proves the EU soft power and makes it more influential nowadays.

We can see that soft power carries rather significant role in accomplishing objectives that might be more expensive or impossible at all to achieve by hard power. From the analysis above, we could see how successful soft power worked to attain desired outcomes in the case of the US in the last half of twentieth century and in case of the EU primarily after the end of the Cold War. Recent developments in the world, namely local or international conflicts, the rapid and contrast economic developments of different states, the globalization process and especially

¹⁴ McCormick, 28

¹⁵ After the establishment of the Copenhagen Criteria in 1993, any country that wanted to join the EU had to meet the accession criteria. This of course accelerated reforms in Turkey. And also in countries like Ukraine and Georgia for example, the attraction of access to the EU internal market has formulated reforms in the areas which helped these countries' economies, and supported them in regional improvements in global governance standards.

terrorist threats certainly emphasize the increasing role of soft power, since hard power often turns out to be futile. Therefore, each country realizes what can be the optimal way, except hard power, to achieve its objectives. However, it is interesting to look at soft power experience in China, which has become one of the influential actors today. China's soft power has been increasing in last decade, therefore it is essential to find out the understanding of this concept in Chinese experience and compare and contrast similarities and differences with western perception.

Chinese School on Soft Power

The concept of soft power became popular in China in the 2000, however it was "Soft Power with Chinese Characteristic."¹⁶ There are two main schools of thought about China's soft power. The first school is **cultural school** which states that the main element in Chinese soft power is culture. Oppose to this, the second school, **political school** denies importance of culture and focuses on political and economic power. The cultural school emphasizes the entity narrative while political school is more focused on behavioral aspects. It should be remarked that Chinese translations of soft power vary depending on the scholars based on their discipline field. However, I will illustrate what is the conceptual understanding of soft power in Chinese experience and by introducing empirical facts I will observe its characteristics.

Cultural School

Chinese scholar Wang Huning redefined the concept of soft power in 1990. He stated that "if a county has an admirable culture and ideological system, other countries will tend to follow

¹⁶ Denise E. Zheng, "China's Use of Soft Power in the Developing World", Report of the CSIS (Center for Strategic and International Studies) Smart Power Initiative, 2009, 13

it.”¹⁷ Therefore, the core element in this school is culture and ideology. This explanation, besides culture, was focused on how soft power resources were used, assuming that political power was the core of soft power. This is why this school had a great impact on policy making in China and was immediately embraced by Chinese leadership.¹⁸ Yu Xintian was one of the proponents of the culture school who stated that soft power includes thoughts, ideas, and principles as well as institution and policies, all of which operate within the context of nation’s culture. Yu states: “the more fashionable the ideology, the more people will accept it and the greater the possibility to build county’s soft power.”¹⁹ He looks at it from the source perspective, which refers soft power in Chinese culture, foreign policy, and international image, some particular ideas or policies and so on. Yu Xintian thinks that China’s soft power consists of ideology, institutions, strategy and policy.²⁰ Therefore, if the ideology is shared, the soft power can be influential in the areas where Chinese model of culture and development is respected. It has to be remarked, that in the recent history of China, there have been cases where the countries’ leadership perceives China as an ideological partner. For example, Eva Morales, president of Bolivia, stated in his speech in 2006 that China is an “ideological ally” of Bolivia.²¹

The scholars of the first school, Yu Xintian and Zheng Yongnian underline China’s emphasis on development and harmony as the part of Chinese ideology and culture which is universally appealing. This ideology gives priority to human beings, harmonious society and harmonious world as Hu Jintao has formulated at one of the conferences.²² Soft power has

¹⁷ Wang Huning, “Culture as National Soft Power”, *Journal of Fudan University*, March 1993, cited in Zheng, 11

¹⁸ Zheng, 13

¹⁹ Ibid.

²⁰ Yu Xintian: “Some Reflections on Soft Power”, *Foreign Affairs Review*, No. 97, 2007, 35

²¹ Ibid., 54

²² See “Hu Calls for Harmonious World at Summit”, *China Daily*, September 16, 2005, available at: http://www.chinadaily.com.cn/english/doc/2005-09/16/content_478349.htm (accessed April, 12, 2010)

become very popular part of Chinese leadership discourse. In order to change China's image of "China threat" which is crucial for China's foreign policy, China's leaders drove the idea of soft power and "peaceful development"²³ in speech after speech. Hu Jintao remarked: "It is only through the road of peaceful development that the progress of human race can be achieved."²⁴ Therefore, it becomes obvious why China tries to create its peaceful image and how much importance soft power has today for China.

China's Cultural System Reform was launched at the 16th CPC Congress in 2002, where it was declared that culture building had a great importance: "the power of culture is becoming an important component in integrating national power and international competitiveness."²⁵ Another example of Chinese emphasis on soft power is its Five Year Plan for Cultural Development. This plan is devoted to the implementation of "go global" strategy of Chinese culture, encouraging media and culture-related enterprises to expand Chinese cultural coverage and international impact.²⁶ One of the tools China uses for this objective is cultural influence and the fast-growing network of Confucius Institutes. As of October 2009, there were 396 Confucius Institutes and Classrooms in 88 countries.²⁷ This is a clear demonstration of Chinese interest to include cultural aspects in its soft power.

In January 2007, Fudan University, which is well-known and prestigious in China, hosted a high-level meeting to discuss strategy to promote China's soft power. China has invested 45

²³ The term which sounds like "heping jueqi" in Chinese was firstly introduced by Zhen Bijian, a powerful senior adviser of the Chinese leadership and close Associate of Hu Jintao.

²⁴ Kurlantzick, 44

²⁵ Liu Yunshan, "Hold High the Banner of Advanced Culture", *Renmin Ribao*, 2002, cited in Zheng, 15

²⁶ "Apparent Text of the "Outline of the State Cultural Development Program for the 11th Five-Year Period", *Xinhua*, September 13, 2006, cited in Zheng, 17

²⁷ Confucius Institute Online, available at http://college.chinese.cn/en/article/2009-08/29/content_22308.htm (accessed February 10, 2010)

billion Yuan to make changes in its media: the 24-hour international television channel, CCTV 9, which already has English, Spanish, and French services, is planning new services in Russian and Arabic. The state-run news agency Xinhua is also planning to open more bureaus overseas.²⁸ As we can see China puts emphasis on cultural influence and uses it to change image of China as “threat” to China as -”peaceful developer”. This school certainly has grounds to state that culture is represented as the essential part of Chinese soft power.

However, it is debatable whether culture represents the core element of it, because from Chinese experience we can see that economic development and public diplomacy are also significant tools of soft power. Joshua Kurlantzick who analyses China’s soft power interestingly questions the role of culture in China’s soft power. He remarks that for China, soft power means anything outside of the military and security realm. It does not include only popular art culture and public diplomacy but also more coercive economic and diplomatic levers like aid, investment, financial support and participation in multilateral organizations.²⁹ Therefore, we can state that economic strength plays essential role for Chinese soft power, because more governments are attracted to cooperate with China for economic interests.

Political School

Yan Xuetong and Xu Jin, professors at Qinhua University, who regard political power as a critical issue of soft power, represent the second school. They argue that soft power consists of three elements: The first - the international attractiveness, which is implemented through national

²⁸ “China Plans Global Media Expansion,” *AFP News*, January 14, 2009, available at: <http://www.google.com/hostednews/afp/article/ALeqM5juSqW75T9CV55CR1AN52DTTfMdeg> (accessed April, 11, 2010)

²⁹ Kurlantzick, 6

development; the second - international mobilization capability, which refers to the influence exerted by the state through strategic relations and excludes coercive force; and the third - domestic mobilization capability which considers domestic political support of a country gained without the use of coercive force, mainly domestic support from elites and ordinary people for the government.³⁰ This school also remarks role of foreign policy and institutions, participating in multilateral organizations, assisting in foreign aids and peacekeeping operations.

Guo Shuyong, who also represents the second school, argues that China's soft power is expressed in full integration and active participation in international system. Nowadays we have many examples of Chinese involvement in multilateral organizations. Besides enthusiastically joining regional organizations such as APEC, ASEAN or SCO and creating its own initiatives, China has sent peacekeepers under UN flag to places like Haiti, Liberia and East Timor. In Liberia, China has sent 600 men to the UN mission and today China has more troops participating in UN peacekeeping missions than any other permanent member of the Security Council.³¹ It is also interesting fact that China uses mediator tools as part of its soft power. China's mediator role works efficiently in East Asian region, because in some states China is alternative to the US, the country that is not welcome there due to its different ideology and values. China was the main mediator between Cambodia and Thailand during the conflict.³² Chinese diplomats were involved in the case and asked for normalizing relationship between the

³⁰ Yan Xuetong and Xu Jin, "A Soft Power Comparison between China and the United States," *Xiandai Guoji Guanxi*, January 20, 2008, cited in Zheng, 17

³¹ Kurlantzick, 155

³² There have been tensions between Cambodia and Thailand about ancient temple complexes, they put pressure on each other's citizens and offended statesmen in newspaper and television. Cambodians publicly burned Thai King's picture which offended Thai population and in response Thailand moved an aircraft carrier near Cambodian border and threatened to send commandos in territory. Since Cambodia has poor relationship with the US, China was the only source of normalizing conflict. Chinese diplomats were involved in the case and asked for normalizing relationship and soon states reopened their customs post and normalized their relationship, *Ibid.*, 156

states.³³ Therefore, these countries regard China close to their ideology and they are willing to give China a mediator role, which is another indication of China's soft power in the region.

Another example of China's mediator role was hosting of Six Party talks. As we know, China is North Korea's longtime ally and the main provider of food, aid and energy. When North Korea declared that it would withdraw from Six Party talks it was China who brought North Korea back to the table, offered aid and also sent high level delegation to Pyongyang³⁴ trying to diffuse crisis and bring North Korea back to negotiations. As we can see, proactive mediator role of China works rather efficiently for China's image unlike South Korea's effort to stabilize contact with North Korea.

The most interesting fact about North Korean case is that, South Korea tried to normalize relationship with North Korea through its Sunshine Policy. The main aim of the policy was to soften North Korea's attitudes towards the South by encouraging interaction and economic assistance.³⁵ It was believed that military tensions could be lessened through bilateral and multilateral frameworks. However, fostering relations between the North and the South ignored the fundamentally repressive and belligerent nature of North Korea, and in effect caused deterioration of the relationship. North Korea backed away from its pledge to reopen direct rail links between the North and South. However, China unlike South Korea managed to find common language with North Korea, which certainly derives from the sentiment of ideological and political ally. Therefore, Chinese soft power played important role, because no other country than China, could convince North Korean leaders to negotiate.

³³ Kurlantzick, 157

³⁴ John S. Park, "Inside Multilateralism: The Six Party Talks", *The Washington Quarterly*, Vol. 28, No. 4, 2005, 16

³⁵ Andrei Lankov, "No Sunshine yet over North Korea", *Asia Times*, May 13, 2005

Another scholar, Zhu Feng importantly remarks that soft power has little to do with the source of power. He argues that soft power is more about whether the international community accepts nation's policies and strategic choices as well as to what extent those choices are in accordance with nation's interests.³⁶ Observing closer to these ideas, we can assume that this school adds more on Nye's conceptualization of soft power. Nye who viewed soft power primarily as means of improving the international image of the state, namely the US, the approach that Chinese scholars draw is different. We can assume that this is soft power with Chinese characteristics which is more combining and includes both domestic and foreign aspects of soft power. Therefore, it can be stated that Chinese understand soft power as a whole part uniting domestic development and international policies.

When we talk about the debate of Chinese soft power and the division among scholars about understanding Chinese soft power there is one more issue which requires attention. The notion of "Beijing Consensus" which is connected with the measures of soft power also causes debate among scholars. This term was introduced by Joshua Cooper Ramo and it referred to describing alternative plans for economic development in the underdeveloped world, where China is seen as a potential model for such actions.³⁷ "Beijing Consensus" has three main parts: the first - a commitment to innovation and a recognition that different strategies are appropriate for different situations; the second - a rejection of per capita GDP as the be-all and end-all: sustainability and equality must also be part of the mix; and the third - self-determination.³⁸ This

³⁶ Zhu Feng, "China Should Give Priority to Soft Power Rise", *Global Times*, April 30, 2007 cited in Li Mingjiang, "China Debates Soft Power", *Chinese Journal of International Politics*, Vol. 2, 2008, 295

³⁷ Dustin R. Turin, "China and the Beijing Consensus: An Alternative Model for Development", *Student Pulse Academic Journal*, available at: <http://studentpulse.com/articles/134/china-and-the-beijing-consensus-an-alternative-model-for-development> (accessed April 8, 2010)

³⁸ Andrew Leonard, "No Consensus on Beijing Consensus", September 15, 2006, available at: http://www.salon.com/technology/how_the_world_works/2006/09/15/beijing_consensus/ (accessed May 9, 2010)

term represents an alternative economic development model to the “Washington Consensus” which was a US-led plan for reforming and developing the economics of small, third-world countries. Zhang Mingqian argues that “China’s experience provides a successful development model of socialist market economy for the international community, therefore making China as an alternative model for those who can make a choice.”³⁹ We can assume that “Beijing Consensus” plays an important role in shaping China’s involvement on the development countries and means that it is different from the US but still is an alternative of efficient development.

However, there is another school of thought which refers to this conceptualization with skepticism. This school, which is primarily represented by the leading scholar Shi Yinhong, argues that the model of seriously imbalanced development could not and should not have such importance and developing countries did not and should not take it as a model.⁴⁰ This school assumes that China cannot export this model, because it is still a developing country. Development is an ongoing process and it has not yet completed and it is impossible to know whether the model is sustainable in the long run. This school also argues that China’s development is characteristic only for Chinese model. Another country can be successful at it if it adopts a communist political party.⁴¹ Therefore, we can assume that “Beijing consensus” is not model which can be implemented without incorporating Chinese political system structure which is the least desirable to happen. Probably this is the reason why China is more appealing in countries where there is a problem of political legitimacy of the government and the regime.

³⁹ Zhan Mingqian, “Sustainable Influence and Big Power Mentality”, *Xiandai Guoji Guangxi*, September 20, 2008, cited in Zheng, 23

⁴⁰ Shi Yinhong, “China’s Soft Power and Peaceful rise” cited in Zheng, 23

⁴¹ Zheng, 23

Interestingly, Nye himself, who firstly defined the concept of soft power emphasizes domestic politics' influence on China's foreign image and states that China's soft power depends on how it implements its values and policies domestically.⁴² In terms of legitimacy, China faces serious problems in terms of domestic conflicts, human right abuses, violation of freedom of speech and other fundamental rights. Nye has defined that the states which project soft power are more likely those whose ideas are close to liberal regimes, political pluralism and global norms.⁴³ Scholars like Bates Gill and Yahzhong Huang consider that there are three major factors that hinder China's effort to project soft power and pursue its interests effectively, these are: imbalance in resources on domestic level, legitimacy concerns of its diplomacy and a lack of a coherent agenda.⁴⁴ Therefore, China, despite its economic strength and power might not be the most desirable partner in the countries which tend to obtain democratic values. Moreover, for China the domestic problems might become the primary source of the limitations of its soft power around the world.

However, this debate which is followed by empirical examples show that China definitely has potential to exert soft power at least in the countries, which welcome Chinese presence and do not have democratic regimes. China is willing to use soft power to pursue its national interests and also to dissolve the idea of "China threat" because it does not want to be perceived as threatening force on international level. However, the major finding from this debate is that China incorporates its economic strength, coercive diplomacy and aid as part of its soft power. Therefore, what seems controversial is how China exerts its soft power if its ideology and soft power tools might not be welcome in some countries. That is why it is interesting to

⁴² Joseph Nye, *Soft Power: The means to Success in World Politics*, (New York: Public Affairs, 2004), 56

⁴³ Joseph Nye, "Soft Power in the Information Age", lecture at Harvard University, cited in Gill and Huang, 29

⁴⁴ Bates Gill and Yahzhong Huang, "Sources and Limits of Chinese Soft Power", *Survival*, Vol. 48, No. 2, 2006, 27

identify the methods China uses to operate its soft power and determine the precise limits of China's soft power. It is essential to observe the concrete examples of Chinese soft power in order to understand what China adds to the classic formulation of soft power and in what way it manages to exert it. In the next chapter I will review Chinese foreign policy and discuss the examples of Chinese soft power, namely how it works in specific region. Further, I will introduce two case studies in order to examine the efficiency of Chinese soft power policy.

Chapter 2 - China's Foreign Policy

Regional Level

Nowadays, China needs to modernize its economy. Therefore, it needs strong economic ties. In China, economic development is considered to be the key national objective and strategy. Several examples of “good neighboring policy” of China has to be emphasized. Out of its 23 territorial disputes with other governments, China has settled 17, including settlement over past decade with Russia, Kyrgyzstan, Kazakhstan and Tajikistan. China has also shown flexibility on territorial disputes with other neighboring countries, namely Vietnam and India. China has initiated implementation of code of conduct which goal is to solve territorial differences among claimants to islands and reefs in South China Sea. China has also signed several agreements with Vietnam and Philippines on joint oil exploration projects.⁴⁵ This neighboring policy certainly adds value to Chinese soft power.⁴⁶ As a result, China takes all necessary measures on regional level to pursue good relationship with its neighbors and assure its territorial security, which represents one of the main national interests. In the foreign policy agenda of Foreign Ministry of China it is declared that: “China is ready to establish and develop friendly relations of cooperation with all the countries on the basis of mutual respect for sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence.”⁴⁷ However, it is questionable whether China’s involvement serves to mutual benefits.

⁴⁵ Bates Gill and Yahzhong Huang, “Sources and Limits of Chinese Soft Power”, *Survival*, Vol. 48, No. 2, 2006, 22

⁴⁶ Fei-Ling Wang, “Preservation, Prosperity and Power: What Motivates China’s Foreign Policy?”, *Journal of Contemporary China*, Vol. 14, No. 45, 2005, 672

⁴⁷ The Ministry of Foreign Affairs of People’s Republic of China, “China’s Independent Foreign Policy of Peace”, available at <http://un.fmprc.gov.cn/eng/wjdt/wjzc/t24881.htm> (accessed February 8, 2010)

China has been also active in collaborating with Russia and four Central Asian states to create the Shanghai Cooperation Organization in 2001. China's intensification of multilateral diplomacy in the East-Asian region reached its peak in 2000, when it proposed the idea of establishing the ASEAN-China Free Trade Area (ACFTA) at the ASEAN-China Summit. Framework agreement came into force on 1 July 2003. It provides general provision on the establishment of an ASEAN-China Free Trade Area within 10 years. This agreement indicated that China was entering a new phase in which it would begin to proactively initiate main regional proposals. Since that time, multilateral forums have been used as valuable diplomatic ways to transform its foreign policy propositions into long-term strategies in the region.⁴⁸ It becomes clear that multilateral diplomacy now plays significant role in China's ASEAN policy, which once again signals about its "soft influence" in the regional states as well.

International Level

Modern Chinese foreign policy has different approaches concerning different areas of its interest. President Hu Jintao has emphasized the idea of "peaceful development" of China, which aims at taking the initiative to unify domestic development with opening to the outside world, linking the development of China with that of the rest of the world, and combining the fundamental interests of the Chinese people with the common interests of all peoples throughout the world.⁴⁹ China's government states that China's foreign policy considers no interference in others' internal affairs under any pretext. It claims that all countries are members of the international community and that they should resolve their disputes and conflicts peacefully

⁴⁸ Kuik Cheng-Chwee, "Multilateralism in China's ASEAN Policy: Its Evolution, Characteristics, and Aspiration", *Contemporary South-East Asia*, Vol. 27, No. 1, 2005, 103

⁴⁹ Peter H. Koehn, "Peaceful and Sustainable Development? Middle-Management Entrepreneurship and Transnational Competence in China", *East Asia*, Vol. 24, No. 3, 2007, 252

through consultations and not resort to the use or threat of force.⁵⁰ Today, we witness that China develops its peaceful and cooperative posture in international relations, which serves its goal to establish peaceful image of China. China's trying to be economically useful for its neighbors and for international system, which will result in more guarantees on its security.

The National Office for Teaching Chinese as a Foreign Language - Hanban, has a national mission to spread the teaching of Mandarin⁵¹ and Chinese culture around the world. The Chinese government recently installed about \$25 million a year for the teaching of Chinese as a foreign language.⁵² This policy can be considered as one of the soft power tools that China tends to use in order to spread its cultural ideas and make them more attractive for the rest of the world.

It should be noted that Confucius Institutes significantly differ from the similar institutions like Alliance Francaise or Goethe institute. Those institutes are government institutions and are fully dependent on state funds. In addition, there is no attempt to integrate them into their host societies through institutional links. In contrast to this, the Confucius Institutes are incorporated in leading universities and colleges around the world while being directly linked to China. The London School of Economics, for example, is setting up an institute using arrangements under which it will cooperate with the equally prestigious Qinghua

⁵⁰ Ministry of Foreign Affairs of PRC, "China's Independent Foreign Policy of Peace", available at: <http://un.fmprc.gov.cn/eng/wjdt/wjzc/t24881.htm> (accessed February 10, 2010)

⁵¹ Mandarin literally means "speech of officials" and is a category of related Chinese dialect spoken across most of Northern and South-Western China

⁵² Purnendra Jain and Gerry Groot, "Beijing's "Soft Power" Offensive" *Asian Times Online*, available at: <http://www.atimes.com/atimes/China/HE17Ad01.html> (accessed February 11, 2010)

University in Beijing. In the US, Confucius Institutes have been united with the University of Maryland, the Chicago public school, and San Francisco State University.⁵³

These facts demonstrate China's growing influence around the world which does not claim becoming a hegemony power in the region or balancing power on the international level. According to BBC Service Poll, from 22 surveyed countries, 48% sees China's rise as positive and 58% of people of age 19-21 see China's influence benign.⁵⁴ However, the results of China's involvement in developing world needs to be analyzed more objectively. The results of this policy poses big question to the real motivation of China's soft power policy and its efficiency in local states.

Exerting Charming Strategy

Africa

As I have cited above, nowadays China's soft power includes coercive economic and diplomatic levels like aid, investment, economic and business cooperation. China has been expanding its ties in Africa for last 15 years. This expansion is mainly carried out through establishing friendly partnerships with African governments, gaining support from them for China's international aspirations and creating markets for Chinese goods and services in the continent. Since China is in the need to attract more natural resources, it has worked to expand trade and investment in Africa. At the Forum of FOCAC in 2006, Chinese pledged to increase

⁵³ Ibid.

⁵⁴ GlobaScan and PIPA Surveys, available at: www.pipa.org/OnlineReports/BBCworldpoll/030505/html/bbcpoll3.html in Gill and Huang, 34

trade with Africa from \$40 billion in 2005 to \$100 billion in 2010.⁵⁵ Africa accounts for 30% of China's overall oil imports from countries like Sudan, Angola and Nigeria. However, China's total share of African oil production is 9%, comparing to 32% of the US and 33% of Europe.⁵⁶ Therefore, if we consider China's speed of development and need for natural resources this figure can grow. This would involve China more closely in the continent's economy which would eventually have effects on China's importance in many African countries.

Another soft power tool that China uses in Africa is loans. Some international funds refuse to lend money to African states, in the absence of transparency and if the adequate reforms are not implemented. However, China cares less about this. According to data, in 2004 China's Exim Bank offered Angola \$2 billion oil-backed loan to fund reconstruction of county's infrastructure and this loan was followed by second \$2 billion in 2007.⁵⁷ What is the most significant about China's loan policy is that Chinese do not have any conditions regarding recipient country's responsibility to fulfill some criteria or obligation aimed at reforms and etc. This once again proves the motivation behind the lending policy which is directly aimed at establishing partnership ties and confidence on government level in order to attain political support.

Another indication of China's soft power can be also traced through the opinions of African leaders. China lent \$9 billion loan to the Democratic Republic of Congo in order to implement rail construction projects. Later, the president of Senegal, Abdoulaye Wade

⁵⁵ Jennifer G. Cooke, "China's Use of Soft Power in the Developing World", Report of the CSIS (Center for Strategic and International Studies) Smart Power Initiative, 2009, 29

⁵⁶ Ibid., 30

⁵⁷ Ibid.

commented: “China’s approach to our needs is simply better adapted than the slow and sometimes patronizing post-colonial approach of European investors, donor organizations, and nongovernmental organizations. In fact, Chinese model for stimulating rapid economic development has much to teach Africa.”⁵⁸ Moreover, in February 2009, Chinese President, Hu Jintao visited Senegal, Mali, Tanzania and the island of Mauritius to strengthen partnership. The bilateral agreement with China gave Senegal a grant of around \$18 million, a loan of \$49 million for national security, and a second loan of \$23 million to renovate the country’s infrastructure. China also signed a contract to buy 10,000 tons of peanut oil, Senegal’s primary export. Senegal President Abdoulaye Wade declared on national TV: “The cooperation between Senegal and China is not based on material interest...our two countries have a common vision...it’s only after this that the investment follows.”⁵⁹ As we can see, financial aid are often seen as the manifestation of support and friendship at least on governmental level and the discourse that government officials make certainly have influence on public opinion. The above mentioned statements illustrate that African leaders perceive China as an alternative partner who does not interfere in their countries’ affair and therefore is useful and profitable to cooperate with.

China also uses public diplomacy in Africa. China tries to express solidarity and respect for African nations and wants to assure that China does not have anything to do with internal affairs. China’s deputy foreign minister, Zhou Wenzhong, states: “Business is business...we try to separate politics from business... (the West) has tried to impose a market economy and multiparty democracy on these countries which are not ready for it... we are also against

⁵⁸ Cooke, 31

⁵⁹ Sadibou Marone, “Chinese President Tours Senegal, Signs Deal”, *Fox News*, available at: <http://www.foxnews.com/wires/2009Feb14/0,4670,AFSenegalChinesePresident,00.html> (accessed April 14, 2010)

embargoes, which (the west) has tried to use against us.”⁶⁰ Apart from investment and aid, China also uses diplomatic measures to strength its soft power in Africa. Forum on China–Africa Cooperation (FOCAC) is an official forum between China and the states in Africa. There have been four summits held to date, with the most recent meeting having occurred from November 8 to 9, 2009 in Egypt. This forum covers assistance, economic development, trade, investment and partnership.⁶¹ This forum allows China to have an important diplomatic presence in African countries. It should be remarked that since 2000 Chinese high officials have made frequent visits to African states. China has also broadened cultural exchanges in Africa. Nowadays, there are 19 Confucius universities in Africa.⁶² Chinese also offer scholarships to African students to go and study in China.

We can assume that Africa is not only economically but also politically useful for China. Africa counts about 50 countries, which represent a big group of votes at the UN General Assembly. African countries represent a voice at the world global summits. China, which still presents developing country, is anxious to build alliances which could be useful. Apart from this motivation, China needs African states in any future complications over Taiwan issue.⁶³ Therefore, China’s exertion of soft power in Africa has it reasons and justification and as we can see Africa gets something in return. Booming trade with China and the export of raw materials, help African economies to grow. Cheap imported goods are good to poor African consumers and African governments like China’s large, soft loans which are “easier” than loans from the IMF or

⁶⁰ Howard French, “China in Africa: All Trade and No Political Baggage,” *New York Times*, August 8, 2004

⁶¹ FOCAC, “China-Africa Relations” available at: <http://www.focac.org/eng/zfgx/jmhx/> (accessed April 15, 2010)

⁶² Confucius Institute Online, available at: <http://www.confuciusinstitute.net> (accessed April 14, 2010)

⁶³ Asian Studies, “Africa and China: Issues and Insights”, November 7, 2008, available at: <http://asianstudies.georgetown.edu/publications/conference/africachina/61673.html> (accessed April 14, 2010)

World Bank. However, it is another question if China's involvement is good in long-term perspective in Africa.

Latin America

Over last decade, China's interest in Latin America has grown. One part of scholars, such as Francois Lafargue, assumes that China's primary interest in the region is to gain greater access to needed resources - such as oil, copper, and iron - through increased trade and investment.⁶⁴ Energy concerns play especially important role in China's Latin American diplomacy. In January 2005, Venezuelan President Hugo Chavez traveled to China to sign some 19 cooperation agreements, including plans for Chinese investment in oil and gas exploration.⁶⁵ Colombia President, Alvaro Uribe traveled to China in mid-April 2005 promoting increased investment in his country. These cooperation activities are connected to the fact that Chinese have noticed that Latin American governments no longer raced to sign on the US-backed Free Trade of the Americas agreement as they did previously to NAFTA in the 1990's. Because Free trade-Free market model failed to perform as predicted - in Argentina it led to bankruptcy and governments questioned Washington's economic model.⁶⁶ Therefore, it was the best time and place for China to exert its charming strategy.

However, other part of scholars, such as Kerry Dumbaugh and Mark Sullivan, assume that Beijing's additional goal in Latin America is to isolate Taiwan by luring the 12 Latin American and Caribbean nations still initiating diplomatic relations with Taiwan to shift their

⁶⁴ Francois Lafargue, "China's Strategies in Latin America". *Military Review*, Vol. 86, No 3, 2006, 81

⁶⁵ John Chan, "China's Oil Diplomacy: Hugo Chavez Makes High Profile Visit to Beijing", available at: <http://www.wsws.org/articles/2006/sep2006/chav-s06.shtml> (accessed April 16, 2010)

⁶⁶ Saul Landau, "Chinese Influence on the Rise in Latin America", available at: <http://www.globalpolitician.com/2939-china-latin-america> (accessed April 18, 2010)

diplomatic recognition to China.⁶⁷ Therefore, China has more motivation to be involved in Latin America, because territorial integrity is the main national goal of China.

China in the last decade tightened connections with Latin America through many initiatives. These initiatives included exchanges of military personnel, funding program to study Chinese and spread culture. The main elements of China's military relations with Latin American government have been high-level visits and military educational exchanges. China has welcomed Latin American vessels in China and has sent People's liberation Army doctors, engineers and cultural groups to Latin America. China has sold or donated certain quantities of military equipment to Latin American governments.⁶⁸ The major area where anyone would see strategic importance of Chinese arms sales to the region would be in Brazil. Brazil and China have signed a number of agreements, through the increasing number of exchange visits between militaries and politicians of the nations, which include sharing development activities in a number of technologies that can include missile technology and nuclear activities.⁶⁹ Therefore, both of these states declare national aspirations that raise the incentives to cooperate closely.

China is one of the three trade partners for many Latin American countries. In 2008, 5.4% of region's export went to China and 10.7% of imports were supplied by China. Export in the most Latin American countries has grown from \$5.3 billion in 1999 to \$75.3 billion in

⁶⁷ Kerry Dumbaugh, "China's Growing Interest in Latin America", Congressional Research Service Report, April 20, 2005, 2

⁶⁸ Stephen J. Flanagan, "China's Military Diplomacy and Engagement in Latin America" in Katherine E. Bliss "China's Projections of Soft Power in The Americas", Report of CSIS Smart Power Initiative, 2009, 54

⁶⁹ Cynthia Watson, "China's Arms Sales to Latin America: Another Arrow in the Quiver" *China Brief*, Vol. 10, No. 4, 2010, 6

2008.⁷⁰ However, we should not forget that this cooperation is connected with “One China Policy”. There is also a political dynamic in China’s expanding economic and trade relationships with Latin America, because the region contains 12 of the 25 countries that still maintain official diplomatic relations with Taiwan. This number is down from 14 in 2004, as Grenada and Dominica switched diplomatic recognition to the PRC in 2004. Taiwan’s official relations in the region now include all seven Central American countries.⁷¹ Therefore, China is in need to increase its influence in these areas and to gain more friendship through exertion of soft power and provide assistance.

China also uses public diplomacy to increase its importance in Latin America. China has established language institutions, exchange programs, traveling art, film and historical exhibitions. These activities also include cultural festivals and celebrating Chinese holidays. For example in Brazil, Chinese new year festival is organized every year and China has officially formalized cultural exchange program for the period of 2006-2008 with Venezuela which includes exchanges in arts, films, literature and music.⁷² Beyond education and cultural exchanges, China uses tourism and media outreach to foster ties of solidarity and understanding between Chinese and Latin American citizens. Since 2003, China has signed agreements with Cuba, Argentina, Mexico, Brazil, Chile, Peru and Venezuela and made them as the approved destinations for Chinese travelers.⁷³ These developments certainly speak a lot about China’s interest to have an important role in Latin America and also Latin America’s interest to have strong cooperation with China.

⁷⁰ IMF, Direction of Trade and Statistics, available at: www.imfstatistics.com (accessed May 10, 2010)

⁷¹ Dambaugh, 5

⁷² Katherine E. Bliss, “China’s Projections of Soft Power in The Americas, Report of CSIS Smart Power Initiative, 2009, 57

⁷³ Ibid., 59

As we can see, Beijing's ties are growing in Latin America, though military missions, economic cooperation, educational and cultural exchanges. We can assume that this activity is part of China's soft power which is aimed at advancement of a foreign policy agenda aimed at raising China's role as a peaceful and powerful country. China uses military diplomacy, educational exchanges and technical assistance in order to support its broader political and economic interest in Latin America. As anywhere else, in the developing world, some less democratic countries of Latin America are willing to cooperate with China, because they do not see any threat to their regimes.

Middle East

Today, China's increasing role in the Middle East is evident. As China becomes a global power and many Middle Eastern countries look for a counterweight to the US, Chinese approaches to energy security, export markets and military ties have an important impact on global diplomacy. At the same time, the Chinese experience of economic growth without significant political liberalization remains an attractive example for some Middle Eastern regimes.

As China's thirst for oil has grown, energy security has become a major consideration of its Middle East policy. While the Middle East accounted for less than 40% of China's oil imports before 1994, since 1996, the proportion has risen to over 50%.⁷⁴ In 2004, Han Wenke, Deputy Director of the Energy Research Institute of China's National Development and Reform

⁷⁴ Jon B. Alterman, "China's Soft Power in the Middle East", Report of CSIS Smart Power Initiative, 2009, 64

Commission declared that China should “make full use of international influence and comprehensive national strength to strengthen international cooperation with major oil production countries and exporting countries in fields of politics, economy and trade and diplomacy.”⁷⁵ Beijing’s strategy has not been limited to importing oil but has also included increasing general bilateral cooperation between China and the Middle East.

Apart from oil, the Middle East also represents major market for Chinese car and motorcycle exports and also other low cost goods. According to the World Trade Organization statistics, China’s trade with the Middle East has grown from \$51.3 billion in 2005 to \$100 billion by 2010.⁷⁶ At present, there are more than 1000 Chinese companies operating in United Arabian Emirates. It is becoming another major partner for China. China has close economic ties with Jordan, Egypt, Algeria, Saudi Arabia Iraq and Iran. Chinese investment in Egypt constitute \$2.7 billion and China signed more than 300 agreements with 18 companies in Algeria by 2006.⁷⁷ It is clear that China’s economic involvement is rather active in the Middle East, which certainly represents another indication of Chinese soft power.

Nowadays, the Middle East is a supplier and recipient of capital for China which further strengthens China’s role in the region. The Middle East companies also invest in China with large scales. The massive investment from the Middle East into China is another clear sign that China’s soft power has been increasing.

⁷⁵ Han Wenke, “Energy Supply and Security Guaranteed by Strong Reliance on Domestic Resource and Economic Introduction of International Resource,” International Energy Security and Cooperation Conference, Shanghai, June, 2004, 138

⁷⁶ Global Sources Survey, “Middles East Next Hot Global Market for China Manufacturers”, *Global Sources*, available at: <http://www.prnewswire.com/news-releases/middle-east-next-hot-export-market-for-china-manufacturers---global-sources-survey-57761177.html> (accessed April 19, 2010)

⁷⁷ Alterman, 67

The most significant aspect about China-Middle East relationship is the fact that China detaches itself from Middle Eastern regimes, which strongly strengthens its soft power, at least on state level. China mostly represents as an alternative to reliance on the US. The US was historically always involved in the Middle East but at present, Middle East leadership views China as an investment in their future.⁷⁸ Apart from this, China is more valued in the Middle East because unlike the US democracy efforts China has no interest to Arab reform. Moreover, Arab regimes leaders see China as a model. China makes no comments on Arab regimes or their treatments to opposition, human rights or elections, nor is it in the Chinese Communist Party interest to do so. Therefore, they are more attracted to Chinese than the US involvement.

After Iraq war, the US lost its standing in the region. Therefore, public opinion polls show that Middle Eastern views of China have risen dramatically. China ranked the second after France as the country they would most like to be a superpower in a world with only one superpower.⁷⁹ As in Africa and Latin America, China increases cultural exchanges in the Middle East and also made an Arabic version of *China Today* newspaper which is distributed in the whole region. China provides language schools and also invites teachers and professors in Beijing. The most interesting part of this activities is that, the growth of Chinese involvement in the Middle East is combined with its disinterest in power politics which makes it a country of increasing interest of government and populations in the Middle East. It is clear that China is pursuing precisely the type of steps, including cultural and language exchange programs that the

⁷⁸ Alterman, 70

⁷⁹ “Anwar Sadat Chair for Peace and Development University of Maryland/Zogby International 2006 Annual Arab Public Opinion Survey” cited in Alterman, 71

US was implementing for many decades in other part of the world for many years to increase its soft power.

We can assume that China benefits because government in the Middle East sees China as a promise, which does not seek to exploit people or resources of the region in “colonial way”.⁸⁰ However, it should be noted that China’s emphasis on soft power in the Middle East is a sign that China is really in need to have close cooperation with the region. China needs this cooperation in order to guarantee its interest, though the Middle East benefits a lot from China as well. However, it is doubtful how far can China go with its interests, because greater efforts in the region cannot be considered to be greater guarantee for its interests.

⁸⁰ Alterman, 75

Chapter 3 - Efficiency of China's Soft Power Policy

China's Involvement in the Developing World

As we can see China's role is increasing on international level. China's involvement is particularly growing in the developing world which has great importance for China. It is true that developing countries benefit from China's assistance. However, behind the strategic deals between governments, there are some processes which stay nontransparent and pose question marks on the efficiency of China's involvement. In some cases, the population in local states are not willing to be influenced by China. China experiences lack of moral authority not only on domestic but on international level as well. Interestingly, moral authority was the one of the core elements of soft power in its original definition.⁸¹ If we compare and contrast soft power of China and the US, we can state that the US soft power has been always targeted at societal level while China tries to exert its soft power mostly on state and elite level, because as we will see in case studies it does not have strong support on societal level.

Existing research pays less attention to examine objectively the actions of China that make it unlikely Beijing administration to be able to engage the global diplomacy in a long run. This has two reasons: China lacks moral authority and political legitimacy in many developing countries and its soft power is mainly directed to government leadership. China nowadays owns economic strength, military strength and leadership, however it lacks moral authority which will be the main obstacle for China's further development and also the first hindering factor for its soft power. Therefore, despite its successful results in the developing world, it is questionable

⁸¹ See note 3

how welcome is China on the societal level and whether populations in these regions are willing to experience Chinese influence. In order to illustrate the validity of these arguments, I will discuss the cases of the DRC and Myanmar which experience China's intensive involvement recently, not only on economic but on societal level as well.

Case of the Democratic Republic of Congo

Beijing declared 2006 as the “Year of Africa”. China has shown big interest and the ability to please African leaders. This phenomenon even has a name in Africa: the Great Chinese Takeout.⁸² Chinese activities on African continent have attracted a great attention; both academia and the public have shown big interest in the topic. Some argue that this is an expression of neo-colonialism⁸³ while at other sources it is stated that this is cooperation with “equality and mutual benefit, solidarity and common development.”⁸⁴

As discussed in previous chapter, China chooses less developed countries for closer cooperation, where it manages better to exert its influence. However, as we will see below, the target of Chinese soft power is not society but rather government officials and elites. In 2007, *New York Times* published an article where China was called a “rogue donor“, giving aid which is “non-democratic in origin and nontransparent in practice, and its effect is typically to stifle real progress while hurting ordinary citizens.”⁸⁵ This critic is rather important, because in Academia less attention is paid to analyze what can be the implications of this type of Chinese involvement

⁸² Richard Behar, “China Storms Africa”, available at: <http://www.fastcompany.com/magazine/126/special-report-china-in-africa.html?page=0%2C2> (accessed May 4, 2010)

⁸³ Daniel Flynn, “China, India are Africa’s New Colonialists” *Reuters*, February 5, 2008, available at: <http://uk.reuters.com/article/homepageCrisis/idUKL05852546.CH..242020080205> (accessed May 2, 2010)

⁸⁴ Ministry of Foreign Affairs of the People’s Republic of China “China’s African Policy”, available at: <http://www.fmprc.gov.cn/eng/zxxx/t230615.htm> (accessed May 4, 2010)

⁸⁵ Moises Naim, “Help Not Wanted”, *New York Times*, February 15, 2007

in African states. There is no transparency of the processes connected to Chinese aid in Africa. Government officials' discourse of China's importance and kind will is not enough to estimate *leitmotiv* of China's involvement in African states. Based on my research, I will discuss the case of the Democratic Republic of Congo, which will suggest what are the implications of Chinese model in developing countries and how Chinese soft power may turn into negative results for developing economies of states.

China gives money to almost every single country in Africa, except only those that do not recognize the "One China" policy. Therefore, natural resources are not the primary motivating factor for Chinese aid: China is motivated to give aid caused by political, commercial, and ideological factors. The case of the DRC shows Chinese motivation to have influence in African continent through government connections. This type of elite relationships let African states, ignore transparency of financial deals and the values and interests of democratic society. This results in the fact that countries like the DRC, which is struggling against government corruption steps into more regressive circumstances. Based on my researched facts I will argue that China's soft power has significant limitations and its "soft-loan policy" should not be used for countries in developing world.

The Democratic Republic of Congo nowadays has the biggest economic potential in Africa, because of its rich resources. At the same time, the governance structure of the resources are weak, country struggles with its legacy after long time corruption and other problems in the government.⁸⁶ The DRC experienced conflict, which significantly influenced Congolese

⁸⁶ Phuong Tran, "DRC's Kabila Faces Unruly, Corrupt Mining Sector", December 15, 2008, available at: <http://www.voanews.com> (accessed May 4, 2010)

economy and society. Trade relations and economic ties were collapsed during the 1998-2003 war, in which approximately 5.4 million people died and many more lost their homes, businesses and commercial networks.⁸⁷ Congo has \$12 billion in external debt, much of it accumulated during the dictatorship of Mobutu Sese Seko, who ruled Congo for 32 years, till 1997.⁸⁸ Congo is one of the poorest countries in the world. In 2009, it ranked one of the last in the UN's Human Development Index - 176 out of 182.⁸⁹ In 2009, Transparency International's Corruption Perceptions Index Congo ranks 162 out of 180 countries surveyed.⁹⁰ Therefore, any external aid or "easy money" is significant for this country. However, because government institutions are still very weak and corrupted, this type of aid is inappropriately managed and spent.

China established political connections with the DRC in 1972. China has recently tightened its connections with this country. China signed \$9 billion deal with Congolese government in 2008, aimed at reconstruction works. China lent loan of \$6 billion for infrastructure development and \$3 billion for helping restore the mining sector in exchange for access to mining interests, including cobalt and copper fields.⁹¹ This certainly raised China's stakes in Africa, transforming it into one of the most influential players on the continent and the biggest investor in one of its largest and most populous countries. In April 2008, the deal was

⁸⁷ Joe Baviaer, "Congo War-Driven crisis", *Reuters*, June 22, 2008, available at:

<http://www.alertnet.org/thenews/newsdesk/L22802012.htm> (accessed May 4, 2010)

⁸⁸ CNC News, "Congo-Kinshasa: Question and Answers", August 11, 2009, available at:

<http://cncblog.congonewschannel.net/2009/08/congo-kinshasa-question-and-answers.html> (accessed May 6, 2010)

⁸⁹ UN Human Development Report 2009, available at: http://hdr.undp.org/en/media/HDR_2009_EN_Summary.pdf (accessed May 7, 2010)

⁹⁰ Transparency International, Corruption Perception Index, 2009, available at:

http://www.transparency.org/policy_research/surveys_indices/cpi/2009/cpi_2009_table (accessed May 7, 2010)

⁹¹ Tim Whewell, "China to Seal \$9bn DR Congo Deal", *BBC News*, 14 April, 2008, available at:

<http://news.bbc.co.uk/2/hi/programmes/newsnight/7343060.stm> (accessed April 29, 2010)

presented to the DRC parliament. The government has named the deal “a vast Marshall Plan” for the country, and claimed it can provide significant power to the country’s economy.⁹²

After the deal was signed, thousands of migrants came in the region. They believed that because of rich resources of mineral, the work would be profitable and easy there. Journalist Howard W. French who visited the DRC describes his meeting with local worker:

“I went to Chinese-dominated industrial zone...I met man who manages a medium-size copper-mining company...he spoke to me about the copper rush. “There’s a belief among Chinese people that they can realize anything...but the people who came here had no experience and no preparation...” another local entrepreneur also told this journalist: “They (Chinese) were profiteers and speculators...Congo got nothing from them. In 2008, as prices tumbled from \$9,000 a ton to a low of \$3,500, the makeshift smelters closed down and the Chinese owners fled, leaving their Congolese workers unpaid and the landscape littered with industrial refuse.”⁹³

These comments show the local attitudes towards Chinese and their commercial goals. Local people and the state itself does not benefit and only beneficiary from this type of deals are corrupted government leaders and China itself.

As we can see, the story created by the high official’s discourse that China is the alternative of West and brings help can be questioned. In real, the society who should be the first and direct beneficiary of the aid is left out. The conditions under which the deal was signed were secret and negotiations on government level were also hidden. These negotiations were entrusted to one of President Joseph Kabila’s close personal confidants⁹⁴ which once again proves about a lack of transparency of the procedures and operations connected to the Chinese aid. Therefore,

⁹² Wenran Jiang, “Chinese Inroads in DR Congo: A Chinese “Marshall Plan” or Business?” *China Brief*, Vol. 9 No: 1, 2009, 33

⁹³ Howard W. French, “The Next Empire”, *The Atlantic*, May, 2010, available at: <http://www.theatlantic.com/magazine/archive/2010/04/the-next-empire/8018/> (accessed May 4, 2010)

⁹⁴ Ibid.

we can assume that China manages to please leadership of corrupted governments while pursuing its own political and economic interests, where the local society is ignored and manipulated.

Congolese lawyer who is part of the citizens' network that is investigating the Chinese package says:

“Six billion dollars in infrastructure is not development. Schools with desks are not going to educate our population. A road is not going to develop this country ... Schools require a school system, and they need teachers. In this climate, roads last only 10 years without maintenance, and the Congo has no capacity in this regard.”⁹⁵

This opinion is rather critical to the validity and credibility of Chinese aid in a long term. It seems that China's aid is primarily aimed at attaining political support and getting natural resources for a good deal. In real, Congolese population does not benefit. Moreover, they often become victims of this type of negotiations, because they are labor force which is paid poorly and are not protected against any labor discrimination. One of the lawyers also state: “When they (Chinese) pack up and go, the Congo will be left with nothing, not even an upgrade in our human resources. Our earth will be dug up, emptied, and left that way.”⁹⁶ This criticism from local citizens give ground to state that China-Congo relationship is driven by interest of the governments, therefore soft power that China practices in the DRC is aimed at “buying” politicians friendship and support and get resources in exchange of the “easy money” they give.

IMF has also expressed big criticism about \$9 billion deal package. IMF declared that this deal would have negative macroeconomic impacts because of its size, because it can cause

⁹⁵ Ibid.

⁹⁶ Gilbert Malemba N'Sakila, cited in French

fiscal loosening and rising inflation.⁹⁷ In March 2010, IMF published Report on the DRC and the interesting fact is that when IMF estimates data for Central Government Financial Operations in the period of 2007-2010,⁹⁸ data for China is not available which once again proves about the inappropriate and nontransparent deals.⁹⁹ In the case of such criticism of IMF, it can be assumed that this large loan from Chinese Exim Bank will be directed through nontransparent processes and will be used for the inappropriate actions of Congolese government. If this type of aid does not carry relevant procedures with it, it is easy to assume that it can cause financial fringes in country's economy. The Congolese opposition, (*Movement de Libération du Congo* (MLC)), has also criticized the deal, stating that it would give the Chinese disproportionate revenues and would have negative results on countries economy.¹⁰⁰ This loan is long-term and it has not fully advanced yet, however, if we look at current economic results in the country it does not give promising picture. For example, in 2009 Congolese franc fell sharply and inflation in the DRC has continued to fall in recent months, reaching 47.6% in the second week of February 2010.¹⁰¹

Chinese soft power tools work rather efficiently for China itself. The fact that Congolese government calls China's aid "Marshall Plan" once again proves that China has significant political and economic influence on Congolese government. They perceive China as "benign donor". Congolese government is attracted by China because it can provide money without

⁹⁷ Sherilee Bridge, "IMF Wary of China's DRC Loan", *Fin24.com*. July 14, 2008, available at:

http://www.fin24.com/articles/default/display_article.aspx?ArticleId=1518-1783_2195763 (accessed May 2, 2010)

⁹⁸ IMF Country Report 2009, available at: <http://www.imf.org/external/pubs/ft/scr/2010/cr1088.pdf> (accessed May 2, 2010)

⁹⁹ See note 4

¹⁰⁰ Hance Guèye, "The DR of the Congo: The Chinese Mining Contract is Creating Division", *Les Afriques*, May 25, 2008, (accessed May 2, 2010)

¹⁰¹ *Middle East and African Monitor*, "Macroeconomic Forecast of DRC" available at: <http://www.meamonitor.com/file/86651/macroeconomic-forecast-drc.html> (accessed May 2, 2010)

obligations and this enhances government's popularity and the discourse high official use to justify their actions and political choices.

However, it is different question how durable this "friendship" can be. It is obvious that Chinese expansion is not welcome on societal level, in the circle of workers and experts and especially for those who are aware of the consequences of "soft-loan policy." China's deals are often a subject of investigation by a commission set up by the National Assembly of the DRC. This committee was focused on the disappearance of \$23 million in signing bonus that Chinese companies were due to have paid to Congo's local partners.¹⁰² Therefore, these relations raise big question of transparency, which in the end will have negative results for Congolese society. We can see that China's main interest in the DRC is natural resources and good friendship with its leaders in order to assist China's fast-growing economy. Therefore, we can assume that China cares less for development of the DRC and therefore is not interested how critical this type of cooperation can be for country's economy and welfare.¹⁰³

Chinese investment in Africa and so-called "soft loan policy" creates challenges for sustainable development, especially in country like the DRC which is characterized by poor governance and corrupted institutions. The development of a country is dependent on the ability of its government to create an easy environment for business. The government is responsible for implementing the proper regulatory measure to manage domestic development process. However, China's interaction in the DRC is creating more challenges for economic development and adding more on the crime actions of corrupted government officials, who find common

¹⁰² Antonaeta Becker, "To Congo with Trouble", *Interpress Service News Agency*, May 10, 2010, available at: <http://ipsnews.net/news.asp?idnews=51372> (accessed May 14, 2010)

¹⁰³ See note 17

language with Chinese leadership. Certainly, the size of China's loans and investments has been resulting in fiscal problems and challenges which further hinders country's development.

According to the IMF visit report of 2010, economic growth of the DRC is estimated to have slowed from 6.2 % in 2008 to 2.8% in 2009 due to economic difficulties on the country. After continuing to decline in August, inflation increased in September and October on account of increases in the money supply and the depreciation of the Congolese franc vis-a-vis the US dollar.¹⁰⁴ These facts and figures prove the existing economic difficulties in the country, where China with its immense "soft-loans" further creates impediments for country's fiscal functions and operations.

If country like the DRC and other African countries try to determine their place in the future of the global economy they have to be aware of the challenges and obstacles Chinese involvement might cause for their countries. This type of Chinese approach - handing billions of unrestricted aid or loans, to present dictators, in exchange for accepting Chinese people and other immigrants from the continent which is combined with immense wealth of local population's own property and posterity can bring nothing but further impediments for developing countries.

Case of Myanmar

China's use of peaceful diplomatic "soft power" has become popular around the world. But the reality is that such popularity to its soft power comes from the elite without the grassroots in the society. This is evident in case of Myanmar. My research will show that China's

¹⁰⁴ IMF, Staff Visit Report on the DRC, March 20, 2010, available at: <http://www.imf.org/external/np/sec/pr/2010/pr10103.htm> (accessed May 5, 2010)

involvement in its neighboring country has nothing to do with local population sympathy towards China, but rather to the mutual interest of the governments which result in risky results for the country.

Since 1988, Myanmar is one of the China's closest allies and major recipient of Chinese military goods in South-East Asia. In October 1996, Army Chief, General Maung Aye's visit to Beijing resulted in further military and intelligence cooperation between China and Myanmar. Maung Aye's trip to Beijing marked 50 years of diplomatic ties between these two countries. During this visit, Hu Jintao noted that strengthening Sino-Myanmar relations was an important part of China's diplomacy concerning its surrounding areas.¹⁰⁵ Since that time, China has been supporting Myanmar's repressive military government with military assistance and millions in aid and infrastructure projects, including roads, railroads and dams. In exchange, China gains access to the Indian Ocean, as well as intelligence and economic cooperation.¹⁰⁶ On one hand, China does something useful for Myanmar which indeed helps the country, however on another hand it has critical results.

The military has dominated Myanmar government since General Win led a coup in 1962 which withdrew the civilian government. Today, Myanmar is under the strict control of the military State and Peace Development Council. The majority of Ministry Cabinet posts are held by military officers. The military government does not allow any political activities in the country. According to the Human Development Index released by UNDP, in 2009 Myanmar was

¹⁰⁵ Asia Pacific Media Services, "China's Ambitions in Myanmar", July 2000, available at: http://www.asiapacificms.com/articles/myanmar_influence/ (accessed May 5, 2010)

¹⁰⁶ Freedom House, "Ten Things You Should Know about China", available at: <http://www.freedomhouse.org/template.cfm?page=379> (accessed May 2, 2010)

ranked in the bottom fourth, 138 out of 182, among the countries surveyed.¹⁰⁷ This index is used to measure the level of human development of a country based on measures of life expectancy, literacy, and standard of living.

Positive Sino-Myanmar relations are very important for China's strategic and economic interests. Myanmar shares its longest borders with Tibet to the north and Yunnan of China to the northeast for a total of 2,185 kms.¹⁰⁸ As in the case of North Korea, China does not want its neighbor to have any opposition struggles against current repressive government, because it can easily spill over into China's territory, especially in Tibet region. Since China has problems with government legacy especially in Tibet region, China tries its best to avoid further complications. Moreover, China's involvement in the county is motivated by the fact that Myanmar is part of China's strategic configuration with other regional and international players, because it gives China access to the Indian Ocean.

The other factor that has to be taken into consideration while discussing Sino-Myanmar relationship is that in 2003 the United States placed a ban on new investments by US firms, an import ban, and an arms embargo on Myanmar, as well as frozen military assets in the US because of the military regime's ongoing human rights abuses.¹⁰⁹ Similarly, the European Union has placed sanctions on Myanmar, including an arms embargo, cessation of trade preferences

¹⁰⁷ UN Human Development Index 2009, available at: http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_MMR.html (accessed May 8, 2010)

¹⁰⁸ *Wikipedia Free Encyclopedia*, Geography of Myanmar, available at: <http://en.wikipedia.org/wiki/Burma#Geography> (accessed May 10, 2010)

¹⁰⁹ Burma Freedom and Democracy Act of 2003, *United States Library of Congress*, June 4, 2003, available at: <http://www.congress.gov/cgi-bin/bdquery/z?d108:SN01182:@@L&summ2=m&.http://www.congress.gov/cgi-bin/bdquery/z?d108:SN01182:@@L&summ2=m&> (accessed May 10, 2010)

and suspension of all aid with the exception of humanitarian aid.¹¹⁰ US and European government sanctions against the military government, which were followed by boycotts of democracy movement, have resulted in the withdrawal of many European and companies from the country. This isolation from the West certainly created grounds to establish closer connection with China.

China has close connections with military leaders in Myanmar and government officials but China is not seen as the benign power on societal level. China is cautiously taking initiatives to avoid potential implications in Myanmar, which could have effect on China's interests. China insists on non-interference in other countries' internal affairs, but it is obvious that China effectively manages to have significant influence in Myanmar. In January, 2007 China used its veto power, for the fifth time in history, to defeat a UN Security Council resolution condemning Myanmar's human rights situation.¹¹¹ Therefore, what matters for China is partnership with Myanmar government in order to avoid destabilizing spillover effects, but China's involvement in Myanmar has had only negative effect on Myanmar population which tries to struggle against Chinese imperialist interest in Myanmar. As a political ally and key economic partner of Myanmar's military government, China is continuing to engage actively in the Myanmar authorities.

The main areas of cooperation between China and Myanmar is mining, oil, gas and hydropower. Additionally, Myanmar has been a major receiver of economic assistance over the past decade, the form of grants and interest-free loans, so-called "soft loans". China has also

¹¹⁰ European Commission , External Relations - Burma, available at: http://ec.europa.eu/external_relations/myanmar/index_en.htm (accessed May 8, 2010)

¹¹¹ Dith M. Lederer , "China, Russia Veto Myanmar Resolution", *Washington Post*, January 14, 2007

provided assistance in the construction of plants and equipment, investment in mineral exploration, hydropower, oil and gas production, and agricultural projects.¹¹² Chinese economic assistance and cooperation is usually tied to Chinese state-owned enterprises, and therefore it can be assumed that these are state commercial investments.

Myanmar has very weak governance in the country and experiences serious problems in terms of human rights, democratic values and freedom of speech. Chinese involvement continues to undermine political and social stability. China's political and economic support of Myanmar has caused resentment in opposition parties and ethnic groups, as well as in the general public, which caused serious of protest rallies.¹¹³ China is considered as supporter of an abusive, authoritarian government. Myanmar counts number of Chinese people in its territory. After China's veto on UN Security Council decision resentment towards ethnic Chinese living in Myanmar has been rising.

Chinese immigrants in Myanmar do not try to integrate in local society which creates further implications in local population. Adding further to local resentment is the widespread practice of recent Chinese immigrants "buying" citizenship IDs from corrupt officials. Myanmar citizens see China as an economic giant, to which their government is selling their country. There are more Chinese than Myanmar citizens in Central Mandalay. The presence of a growing Chinese community in Mandalay attracted a new arrival of migrants from Yunnan province, who are now deeply involved in large sectors of the local economy. Chinese-owned hotels,

¹¹² Nyi Nyi Lwin "Economic and Military Cooperation between China and Burma" available at: www.narinjara.com/Reports/BReport.ASP (accessed May 11, 2010)

¹¹³ Joakim Kreutz, "Burma, Protest, Crackdown and Now?", October 5, 2007, available at: http://www.opendemocracy.net/article/democracy_power/politics_protest/burma_future (accessed May 11, 2010)

guesthouses, restaurants and small businesses are springing up, while Chinese festivals are now firmly embedded in the city's cultural calendar.¹¹⁴ Mandarin is widely spoken and an increasing number of signs are written in Chinese. Myanmar people feel that they are being pushed from the prime areas of town and that they are second-class citizens in their own country. Most businesses in Myanmar's has part of Chinese investment.

Chinese development assistance has been closely related to Chinese business interests in Myanmar. Commercial-based loans were made available to the Myanmar government so that Chinese firms could also benefit from the Chinese development program. In addition, it serves China's geopolitical interest in Myanmar too by securing an access to the Indian Ocean.¹¹⁵ It has been estimated that 60% of Myanmar's economy is in Chinese hands.¹¹⁶ One of the shopkeepers in Myanmar stated: "After 100 years of colonization by the British, we had so many things left, but after twenty years of colonization by China, we have nothing".¹¹⁷ As we can see, overall attitude in Myanmar population is rather negative towards Chinese, because nation is threatened of Chinese influence, especially for its extensive use of country's resources and authoritarian regime. Myanmar's society is rather sensitive about human rights abuses and this further increases fear towards China's influence, due to its notorious image in this area.

Therefore, we can assume that China is ignorant of local needs in Myanmar. Authorities and local populations in Kachin and Yunnan province (basic area of mineral resources) have

¹¹⁴ Min Lvin, "The Chinese Road to Mandalay", April, 2009, available at: http://www.irrawaddy.org/article.php?art_id=15404 (accessed May 12, 2010)

¹¹⁵ Maung Aung Myoe, "Sino-Myanmar Economic Relations Since 1988", Asia Research Institute, working paper series No. 86, 2007, 38

¹¹⁶ International Crisis Group, "China's Myanmar Dilemma Asia Report N 177", September 1, 2009, 25

¹¹⁷ ICG Report, 27

expressed satisfaction with UN Security Council initiatives against Myanmar to put pressure on the military government, however China has vetoed this decision. The local authorities prefer a weak central government in Myanmar with fewer controls over economic and commercial activities, allowing them to engage with local actors with fewer constraints.¹¹⁸ Local population is not happy about Chinese extensive presence in the region, because it causes implications for their welfare. Chinese presence includes restriction of the interest of local population who are struggling to solve their social and economic problems and reach for democratic values and standards in the country.

In November 2009, The UN General assembly has once again called on the Myanmar Military Junta to respect human rights and it adopted a resolution "strongly condemning the ongoing systematic violations of human rights and fundamental freedoms" and calling on the Military Regime "to take urgent measures to put an end to violations of international human rights and humanitarian law."¹¹⁹ Resolution states that regime does not allow participation of representatives of all political parties and representatives of ethnic nationalities in an inclusive and credible process of national reconciliation, democratization and the establishment of the rule of law".¹²⁰ These features are not hard to compare to China's domestic issues, therefore close connection with China's and Myanmar's repressive government should not be surprising.

Since China is rather extensively involved in Myanmar's affairs, its policies creates political, social and economic risks. This certainly will cause tensions and will aggravate conflict

¹¹⁸ ICG Report, 26

¹¹⁹ UN Resolutions on Burma, available at: <http://www.altsean.org/Research/UN%20Dossier/UNGA.htm> (accessed May 11, 2010)

¹²⁰ UN General Assembly Resolution, 63/245, available at: <http://www.altsean.org/Docs/UNGA%20Resolutions/Res%2063%20245.pdf> (accessed May 11, 2010)

among different actors in Myanmar. One example can be “Kogang Incident”. In early August 2009, a conflict known as “Kogang Incident” broke out in Myanmar. For several weeks, Junta (Military-led government) troops fought against ethnic minorities, which caused 10,000 civilians to leave their home and become refugees.¹²¹ Due to this type of human right violation and other intolerant actions carried out by Junta, Myanmar’s foreign relations particularly with Western nations have been strained.

According to the Country Annual Report of Transparency International in 2009, there is no independent judiciary in the country, government constantly violates freedom of speech and expression, number of political prisoners has increased, the military government restricts internet access through software-based censorship that limits citizens can access online internet. More than 500,000 people were internally displaced in Myanmar at the end of 2008. Ethnic minority leaders and activists were also detained for expressing concern about the status and role of their states for demanding protection of their rights.¹²² Human Right Watch Report of 2009 states that people in Myanmar are afraid to speak to foreigners about their problems, because they fear of being questioned and imprisoned. There is no freedom of speech, assembly or association. State TV and radio are propaganda tool of the regime, merely recounting what the top Generals did on any given day.¹²³ These facts make obvious why Myanmar choose China as the closes ally, because China lives with the similar regime. But this has had very negative results for Myanmar and its citizens, which we already witness through above-mentioned facts.

¹²¹ *BBC News*, “Thousand Flee Burma Violence”, August 26, 2009, available at: <http://news.bbc.co.uk/2/hi/asia-pacific/8223430.stm> (accessed May 8, 2010)

¹²² See Transparency International Report 2009, available at: <http://report2009.amnesty.org/en/regions/asia-pacific/myanmar> (accessed May 6, 2010)

¹²³ See Human Rights Watch “Statement to the EU Development Committee”, available at: <http://www.hrw.org/english/docs/2004/09/01/burma9290.htm> (accessed May 6, 2010)

Apart from political and ideological influence, China also infringes economic aspect of the country. Chinese investments and economic assistance are focused on the extraction and export of natural resources, they do not provide wider economic development for the country. Chinese companies which are operating in Myanmar, pay less attention to the sustainability of Myanmar's economic development or their environmental impact. Chinese are also less interested in forced relocation population and human rights abuses carried out by the Myanmar military. Therefore, resentment against Chinese economic exploitation has been growing.

As we can see, China develops projects which does not benefit local population. If China paid more attention to the local interest and needs the consequences of its "soft power", the view about its involvement could be different, therefore raising China's image in Myanmar citizens. On international level, Myanmar situation caused a big challenge to China's global diplomacy and image. This can be compared to the Sudan case, which downgraded China on international level, just before Olympic games in 2008. China's contributions to Sudan's least-democratic regimes during Darfur Conflict has met criticism from the international peace community.¹²⁴

As we could see from UN resolutions and also by reports of Human Right Watch and Transparency International, Myanmar is accused in widespread human rights abuses. The country has stagnant economy and large-scale internal conflict. The local regime and government is widely objected by local citizens. In this complex situation, China is considered to be the catalyst and the main contributor to these developments, because it has close ties with

¹²⁴ Doug Krizner, "China Steps in Darfur Conflict", available at: http://marketplace.publicradio.org/display/web/2007/10/05/china_steps_into_darfur_conflict/ (accessed May 11, 2010)

existing leadership. We can assume, as long as violation of human rights continue in Myanmar and military regime hinders political reform, China will face serious anxiety and demands not only from opposition forces in Myanmar but also from international arena. China's policy which is often corrupted and discriminating for local population will cause many obstacles for China, since it tries to develop its "peaceful image".

If China sees itself as responsible power in the region, it really has to change policy towards Myanmar. However, based on the domestic politics and communist ideology it is less expected that China would do something to encourage Myanmar regime to pursue dialogue with the opposition and ethnic groups. China itself experiences big problems in terms of ethnic minorities and human rights abuses. It would be more credible to argue that China can help Myanmar to handle domestic challenges if China itself manages to overcome problems connected with Tibet and Xingjian, which are the key aspects of China's national security. Myanmar society, (not government) will not welcome China in their country until China manages to establish its power with moral authority and domestic legacy which is rather long-term possibility.

Conclusion

China has intense motivation and strong sense towards building and promoting soft power and it nowadays has considerable resources to project it. Soft power is instrumental for China to achieve its goals. The direct objective is to dispel the misperception of China by outside world, and to develop a better image of the Chinese regime in the world. However, as we can see Chinese soft power mostly works on government level and leadership who establishes close

cooperation with China for economic and political benefit. Therefore, the main conclusion that can be drawn is that the future development of China's soft power is worrisome because the efficiency of China's involvement in other states is questioned, due to its consequences and perception on societal level.

The definition of soft power considers that when states pursue unpopular policies their image is decreasing and as a result, soft power is declining. Therefore, the main hindering factor for China's soft power is that China experiences lack of moral authority and political legitimacy and therefore it is not popular on societal level. Moreover, China experiences serious problems in domestic politics, the government is critically accused for human rights abuses and violation freedom of speech. China's rapid economic growth has not in any way transformed in human development projects. Nowadays, China faces serious problems in areas of public safety, health care, education, law enforcement and environment protection. Nearly 80% of rural resident and 55% of urban resident do not have health insurance.¹²⁵ At least 80% of humanity lives on less than \$10 a day.¹²⁶ Nye once stated China's soft power depends on how it implements its values and policies domestically.¹²⁷ Nowadays, in China there is a big gap between increasingly international foreign policy and closed inflexible political system on domestic level.

China is also known with its intolerance with opposition struggles. Tiananmen Square events are probably the most notorious in China's recent history. But there are more recent facts which make Chinese authoritarian regime less popular. For example, in October 2008, the

¹²⁵ China Development Review, Vol. 7, No. 1 in Gill and Huang, 28

¹²⁶ World Bank Key Development Data and Statistics, available at: <http://data.worldbank.org/data-catalog> (accessed February 13, 2010)

¹²⁷ Joseph Nye, *Soft Power: The means to Success in World Politics*, (New York: Public Affairs, 2004), 56

government of China denounced the European Parliament's decision to award the Sakharov Prize for Freedom of Thought to Hu Jia (opposition activist who was imprisoned), on grounds that it was "gross interference in China's domestic affairs" to give such an award to a "jailed criminal".¹²⁸ Moreover, half of the world's population living in countries designated "Not Free" by Freedom House live in China; China imprisons more journalists than any other country in the world; the Chinese government maintains one of the world's most sophisticated systems of blocking access to websites and monitoring its citizens' e-mail communications; 65 crimes in China carry the death penalty; the Chinese government has supported extremely repressive regimes such as those governing Myanmar, Sudan and Zimbabwe; Tibetan Buddhists, Christians, Muslims and practitioners of other religions face frequent harassment; thousands of North Korean refugees who escape into China are sent back to North Korea to face arrest, torture, and sometimes death; Public protests have been on the increase in recent years.¹²⁹ Together with Tibet and Xingjian issues these findings adds a lot about China's image on international level.

All these facts definitely create incentive on overall position towards China which endanger China's international image. Therefore, China's soft power will be dependent on its efforts to improve its political and moral authority. China has to revise how far it can go with its soft power policy and how well it will manage to maintain its "peaceful development". China's interest is to become equally powerful actor and strengthen its image and authority. It respectively takes necessary measures to pursue these goals, especially through establishing

¹²⁸ Bruno Waterfield, "China Furious at EU Human Rights Award to 'Criminal' Dissident Hu Jia", available at: <http://www.telegraph.co.uk/news/worldnews/asia/china/3249742/China-furious-at-EU-human-rights-award-to-criminal-dissident-Hu-Jia.html> (accessed February 13, 2010)

¹²⁹ Freedom House, "Ten Things You Should Know about China", available at: <http://www.freedomhouse.org/template.cfm?page=379#1> (accessed May 18, 2010)

connections with governments. We can assume that this is part of China's strategy of peaceful rise and development but it makes us question whether this rise will be durable, because there are many limitations in its soft power. As mentioned above, unpopular policies are the direct obstacle of soft power. In China's case, "soft-loan" and "elite cooperation" tools do not seem enough credible and durable in longer perspective. Therefore, if China is willing to pursue its cosmopolitan policy it has to reconsider domestic politics and make attempts to establish some measures towards more peaceful regime which would empower coherence inside the country and would be reflected on its international image. It will be much more efficient for China if it adopts new approaches which are needed to overcome domestic tensions and dissatisfaction, because soon or later domestic politics will determine the fate of China's foreign policy and its role on international arena.

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