

# Sources and Limits of Chinese 'Soft Power'

Bates Gill and Yanzhong Huang

PROOF

Analysis and debate concerning China's rise is focused almost entirely on the economic and military aspects of its growing power.<sup>1</sup> Yet 'soft' sources of power – including culture, political ideology and diplomacy – are increasingly recognised as essential components of Great Power status. It seems odd that the subject of soft power is either missing from discussions of China, or misapplied. While China is constrained in many ways in the exercise of such power, its soft-power resources are considerable and demand scrutiny.

The concept of soft power can be traced to the works of Hans J. Morgenthau, Klaus Knorr and Ray Cline. As summarised in recent years by Joseph Nye, soft power is a directing, attracting and imitating force derived mainly from intangible resources such as national cohesion, culture, ideology and influence on international institutions. According to Nye, it is the 'ability to get what you want through attraction rather than coercion or payments'.<sup>2</sup> Examination of China's soft-power resources in the areas of culture, political values and diplomacy shows that, while China's soft power is increasing, Beijing faces serious constraints in translating these resources into desired foreign-policy outcomes.

## Soft-power resources

Culture is an important source of soft power. As then Singaporean Senior Minister Lee Kuan Yew put it, 'soft power is achieved only when other nations admire and want to emulate aspects of that nation's civilization'.<sup>3</sup> China has some unique advantages in expanding this influence. For more than 3,000 years, the splendours of China drew a continuous stream of traders, emissaries, scholars and holy men in quest of riches, power, guidance and inspiration. The Tang Dynasty (618–906

**Bates Gill** holds the Freeman Chair in China Studies at the Center for Strategic and International Studies (CSIS). **Yanzhong Huang** is an Assistant Professor at the John C. Whitehead School of Diplomacy and International Relations, Seton Hall University.

AD) saw the spread of Chinese civilisation to neighbouring countries, including Korea, Japan and Vietnam. In the fifteenth century, Admiral Zheng He's voyages demonstrated the power of the Chinese civilisation and established important liaisons between China and other nations. China's status as Asia's traditional central power created abundant reserves of soft power for contemporary use.

The post-Mao period of reform and opening (*gaige kaifang*) has led to growing international interest in Chinese culture, while creating incentives for Chinese leaders to expand the nation's cultural influence. The HSK, known as the Chinese 'TOEFL' (teaching of English as a foreign language) test, has seen an annual increase in examinees of about 40–50%, growth equivalent to the US TOEFL examination in its first ten years.<sup>4</sup> Recognising the importance of language in increasing cultural attractiveness, China has been aggressive in promoting the study of Chinese all over the world. With an annual budget of \$200 million, the China National Office for Teaching Chinese as a Foreign Language has launched a language-promotion network, aiming to quadruple the number of foreigners studying Chinese to 100 million by 2010.

By late 2005, 32 Confucius Institutes had been set up by the Chinese Ministry of Education in 23 countries to provide Chinese language and cultural resources to host countries.<sup>5</sup> Like the British Council, the Goethe Institut and the Maison Française, the new network of Confucius Institutes has a political agenda: to present a kinder and gentler image of China to the outside world. Furthermore, by teaching Beijing's preferred version of Chinese, and utilising readings from a Beijing perspective, rather than the traditional Chinese characters used in Taiwan or Taiwan-based points of view, the Institutes also serve to advance China's foreign-policy goal of marginalising Taiwan's international influence.

Foreign student enrolment has also seen dramatic growth. Within a decade, total enrolment of international students in China (excluding those from Hong Kong, Taiwan and Macau) increased threefold to 110,844.<sup>6</sup> Over 75% of students are from Asia, with South Korea and Japan consistently sending the most.<sup>7</sup> A growing number of students, though, are from Southeast Asia, a region that accommodates the majority of overseas Chinese and has a centuries-old history of Chinese-language education. Students from Vietnam, for example, have increased more than sixfold over the past six years.<sup>8</sup> While a major influx of international students in China is driven by the country's booming economy, this dramatic growth in foreign enrolments also reflects China's role as the cultural magnet of Asia. According to the Ministry of Education, over three-quarters of foreign students went to China to study academic disciplines of general cultural concern (Chinese language, arts, history, philosophy and traditional Chinese medicine).<sup>9</sup>

It is too early to gauge the influence of this academic training on future generations of foreign elites, but their experience in China will likely open their minds to Chinese worldviews and interests.<sup>10</sup> Official statistics reveal that some 30 former international students in China now hold minister-level positions in their home countries, more than 10 have served as ambassadors to China and over 30 are attachés posted in China. In addition, more than 120 are senior faculty members at universities in their home countries.<sup>11</sup> While those who enter officialdom are expected to have a better understanding of Chinese interests, senior scholars are more likely to nurture the interest of their students in China.

As China ramps up its cultural and language presence, the United States may be facing some challenges. During the 2003/04 academic year, foreign enrolment in the United States fell 2.4%, the first decline in three decades.<sup>12</sup> In 2003, 2,563 Indonesian students received visas to study in China, a 51% increase over the previous year. By contrast, only 1,333 Indonesian students entered the United States for study in the same year, a precipitous drop from the 6,250 student visas issued in 2000.<sup>13</sup> The decline can probably be attributed to the nation's more stringent visa requirements after 11 September 2001, and the resulting perception of America as a suddenly unwelcoming place.<sup>14</sup>

*China sees its culture fundamentally as a world culture*

Different from the largely inward-looking Japanese culture, China sees its culture fundamentally as a world culture.<sup>15</sup> In the words of President Hu Jintao, 'The Chinese culture belongs not only to the Chinese but also to the whole world ... We stand ready to step up cultural exchanges with the rest of the world in a joint promotion of cultural prosperity.'<sup>16</sup> In addition to promoting the teaching of Mandarin worldwide, China has sponsored Chinese cultural festivals in many countries, such as France and the United States. In October 2005, the government spent \$2m on a month-long Festival of China at Washington's Kennedy Center.

#### *Domestic values and policies*

China's soft power also depends on how it implements its values and policies domestically.<sup>17</sup> Since the late 1970s, China's reform process has steadily moved the country away from its inefficient, Soviet-style planned economy to a more dynamic market-oriented system. Within a quarter-century, this process has transformed China into an economic powerhouse. The growing economic clout has increasingly conjured up images of prosperity and affluence. Fuelled by rapid income growth, outbound tourism has become popular in China. In 2003, the 20.22m outbound Chinese tourists for the first time outnumbered tourists from Japan, which formerly had the greatest number of outbound tourists in

Asia.<sup>18</sup> The new Chinese tourists tend to cast a more positive image of a wealthier, more confident Chinese elite.<sup>19</sup>

A fast-growing China is also a conspicuous exemplar for many. Former journalist Joshua Cooper Ramo claimed that China's economic miracle presents the developing world a recipe for success: the 'Beijing Consensus'. According to Ramo, the 'Beijing Consensus' can be seen as the antithesis of the Washington Consensus: it does not believe in uniform solutions for every situation, nor does it favour 'one big, shock-therapy leap'. Instead, it emphasises development based on a country's own characteristics, with 'ruthless willingness to innovate and experiment'.<sup>20</sup>

While no systematic information is available to assess the popularity of this model, and Beijing has never officially used this term, it is clear that China's astonishing progress in the past decades is leading to a rethinking of both development economics and the relationship between economic and political freedoms. After comparing the reform experiences in China and Russia, the prominent journalist Robert Kaplan drew the conclusion that 'sometimes, Autocracy breeds freedom'.<sup>21</sup> This was echoed in an Australian opinion piece entitled 'Chinese Model Passes the Test', which stated that 'China shows you can have [economic freedom] without [political freedom], where we used to think they were indivisible'.<sup>22</sup> Similarly, *New York Times* columnist Thomas Friedman confessed that he has 'cast an envious eye on the authoritarian Chinese political system, where leaders can, and do, just order that problems be solved'.<sup>23</sup>

This soul-searching appears to be influencing the development paths of many countries. Russian President Putin seems to be following the Chinese path by restricting democracy while giving greater emphasis to getting his economic house in order. Other former Soviet republics, such as Kazakhstan, Uzbekistan and Turkmenistan, have looked to China rather than the International Monetary Fund (IMF) for new economic thinking.<sup>24</sup>

In South Asia, this Chinese model has its appeal as well. Indian Prime Minister Manmohan Singh said that India should look to China as a role model for economic growth and global trade.<sup>25</sup> Policymakers in Latin America have also shown tremendous interest in the Chinese model. The leftist union leader turned Brazilian President Luis Inacio 'Lula' da Silva reportedly sent study teams to Beijing to learn from the Chinese experience.<sup>26</sup> In Africa, authoritarian leaders seek to maintain their control through market mechanisms to alleviate poverty.<sup>27</sup> In the Middle East, the Chinese model has been embraced by Iranian conservative leaders.<sup>28</sup> Indeed, the Chinese model has been so influential in Iran that it became one of the main themes of a major candidate, former president Akbar Hashemi-Rafsanjani, in the 2005 presidential elections.<sup>29</sup>

Keenly aware of the Chinese economic success story, since 2002 North Korea has cautiously adopted certain reforms to introduce market-style incentives into its planned economy. But so far, the most loyal disciples of the 'Beijing Consensus' are its two southern communist neighbours, Laos and Vietnam. While Laos moves toward the Chinese model of market-based authoritarianism, Vietnam insists on placing stability before political reform after its adoption of Chinese-style economic reform.<sup>30</sup> The ability of Beijing to present an alternative political-economic model is seen by one prominent foreign-policy specialist in Britain as 'the biggest ideological threat the West has felt since the end of the Cold War'.<sup>31</sup>

### *Foreign policy*

Foreign policies can contribute to soft power when they are seen as legitimate and having moral authority, and when they enhance the ability to manipulate agendas in a manner that 'makes others fail to express some preferences because they seem to be too unrealistic'.<sup>32</sup> Under Mao, Chinese foreign policy was often framed in controversial and unappealing terms in an attempt to 'export revolution' to the Third World. This radical foreign policy culminated in the 1960s, when Red Guards burned down the British Embassy and humiliated Soviet diplomats in Beijing, while many of China's Asian neighbours brutally crushed Beijing-supported movements. Such radicalised foreign policy confirmed the image of an ideologically threatening China.

This foreign policy radicalism was reversed under the post-Mao leadership, which has adopted a less confrontational, more sophisticated, more confident and, at times, more constructive approach toward regional and global affairs.<sup>33</sup> This approach places an emphasis on seeking a stable external environment so that Beijing can focus on its domestic socioeconomic development, reassuring China's neighbours about the country's growing strength, and promoting generally constructive relations with the world's major powers, especially the United States.<sup>34</sup> According to official Chinese statements, this new approach seeks to support widely recognised norms governing international relations, peaceful settlement of disputes, mutually beneficial economic ties, combating non-traditional security threats such as terrorism and transnational crime, and effective disarmament and arms control.<sup>35</sup>

One of the most interesting results of this 'good neighbour' policy is Beijing's willingness to settle or alleviate long-standing territorial disputes with nearly all of its neighbours. In his extensive study on this question, Taylor Fravel demonstrates that China has 'frequently used cooperative means to manage its territorial conflicts, revealing a pattern of behaviour far more complex than many portray'. Of its 23 territorial disputes with other governments, China has settled 17, includ-

ing settlements over the past decade with Russia, Kazakhstan, Kyrgyzstan and Tajikistan. Moreover, 'it has offered substantial compromises in most of these settlements, usually receiving less than 50% of the contested land'.<sup>36</sup> Meanwhile, China has shown greater flexibility on territorial disputes with other neighbouring countries, including Vietnam and India. In Southeast Asia, China has agreed on a declaration of a code of conduct aiming to resolve territorial differences among claimants to islands and reefs in the South China Sea. Without renouncing its sovereignty claims, China managed to sign agreements with Vietnam and the Philippines on a number of joint oil exploration projects.

Another interesting trend is the dramatic increase in China's membership in international institutions and organisations.<sup>37</sup> Since 1994, China has dropped much of its reluctance and increased its participation in regional multilateral arrangements. Cognisant of the apprehension among the Association of Southeast Asian

Nations (ASEAN) countries over China's economic competition, then-Premier Zhu Rongji proposed the establishment of a China-ASEAN free trade area, which has now become a cornerstone of China's new foreign policy in the region.<sup>38</sup> In October 2003, China joined the Southeast Asia Treaty of Amity and Cooperation, the first time China has signed on to this kind of regional non-aggression pact. It has also become an active participant in regional security dialogues, such as the ASEAN

Regional Forum (ARF). Since the late 1990s, China has also become more active in UN peacekeeping missions.<sup>39</sup> As of August 2005, China had sent 4,000 soldiers and police to participate in 14 UN peacekeeping operations.<sup>40</sup> For the past several years, China has dispatched more peacekeepers under the United Nations' flag than any of the other permanent five members of the UN Security Council, and more than any member of NATO. In 2005, China ranked as the fifteenth largest contributor of peacekeeping personnel to the United Nations.<sup>41</sup>

In 1996, China played an active role in initiating the Shanghai Five mechanism, which later developed into the Shanghai Cooperation Organisation (SCO), a multilateral body focusing on common political, economic and security issues among China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Beijing promoted the establishment of a regional defence minister's dialogue within the ARF framework, an idea previously sought by US diplomats in the ARF before the inauguration of the annual ministerial-level IISS Asia Security Summit (the Shangri-La Dialogue) in 2002. China also played a supportive behind-the-scenes role in the creation of the East Asia Summit, which held its first meeting in December 2005.

Growing evidence suggests that China seeks to play a more responsible and cooperative role in international affairs. It has made a more serious effort to

PROOF  
China has become more active in UN peacekeeping

conform to international norms on some sensitive issues like free trade, nuclear non-proliferation and even environmental protection. More and more, China is seen as a country that does not need massive aid and can pay its own bills.<sup>42</sup> Thanks to its economic growth, China increasingly transitions from aid recipient to donor: its 2006 budget will expand China's outbound foreign aid by 14% to \$1.1 billion.<sup>43</sup> In 2002, Beijing pledged \$150m in aid to Afghanistan for its reconstruction efforts, and in 2005 offered \$83m to the countries hit by the 2004 Indian Ocean tsunami.<sup>44</sup> After Hurricane Katrina hit the southern United States, the Chinese government offered \$5.1m in aid to the United States.<sup>45</sup>

Beijing's more pragmatic and proactive foreign policy has often been complemented by diplomatic savvy and finesse. The Chinese embassy is reaching out to major think tanks to solicit policy suggestions, while its diplomats are working hard to win friends and influence people, not just on Capitol Hill, but also in the US hinterlands.<sup>46</sup> In July 2005, the Chinese embassy in Washington signed a \$22,000-a-month contract with one of Washington's biggest lobbying firms, Patton Boggs, to open doors and smooth relations with US lawmakers.<sup>47</sup>

### Effectiveness in exercising soft power

China's soft-power resources will not automatically translate into desired policy outcomes. Is there evidence that China's soft power has influenced policy choices in other countries?

Evaluating a country's effectiveness in wielding such influence, of course, must be done in the context of its foreign-policy objectives. Seeking to avoid the competition-inducing policies of Weimar Germany, Imperial Japan and the former Soviet Union, China has looked to a policy of 'peaceful rise' or 'peaceful development'.<sup>48</sup> The 'peaceful development' line dictates on the one hand the need to build up China's regional and global power and influence, and on the other, reassure other countries about how it will use this rising power and influence. In an effort to remove the distrust and sense of insecurity among China's neighbours, Chinese leaders have proposed the guideline of 'do good to our neighbours, treat our neighbours as partners' (*yulin weishan, yilin weiban*) and the policy of 'maintain friendly relations with our neighbours, make them feel secure, and help to make them rich' (*mulin, anlin, fulin*).<sup>49</sup>

One way of assessing China's progress toward these goals is to look at polling data measuring China's popularity, in part because popularity is 'a good first approximation of both how attractive a country appears and the costs that are incurred by unpopular policies'.<sup>50</sup> According to a recent BBC World Service poll,<sup>51</sup> China's influence on the world is viewed as positive by a majority or plurality of citizens in 14 of the 22 surveyed countries. In total, almost half (48%) see

China's influence as positive, 10% higher than those who say the same for the United States. In no country did a majority of the people have a negative view of China. An even higher average (58%) of young people (18–29) worldwide view China as benign.<sup>52</sup>

The BBC survey points to interesting trends in nearby countries which historically showed substantial suspicion of China. Despite decades of tensions and a history of border war, for example, India appears to be reassured that China will rise peacefully. This is demonstrated by the strong positive view of the increased Chinese economic clout (68%) and military power (56%). In another major neighbouring state, Russia, a plurality (42%) expressed positive views of China's influence, with only 16% saying the same about the United States.

Compared to the mixed views of China in Japan and South Korea, China is popular in many Southeast Asian countries, with a strong majorities expressing positive views in the Philippines (70%) and Indonesia (68%). Polls taken in late 2003 in Thailand showed that more than three-quarters of respondents considered China to be Thailand's closest friend, as opposed to 9% choosing the United States.<sup>53</sup> According to David Shambaugh, China's 'charm offensive' was behind these changing perceptions.<sup>54</sup>

Farther abroad, Beijing's soft-power influence is felt in the Middle East, Latin America and Africa. The BBC poll found that of seven countries in these regions, six have either a majority (Lebanon, South Africa, Chile and Brazil) or a plurality (Argentina and Mexico) favouring Chinese influence in the world. It is particularly interesting that China receives favourable ratings from countries in Latin America whose manufacturing sectors face significant competition from China. When asked about China's economic influence, 54% of Mexicans surveyed see it as positive, and only 18% have a negative view. The existence of like-minded states in these regions and the attractiveness of China's development model have facilitated Beijing's quest for market, natural resources and political influence. Under President Lula, Brazil has agreed to recognise China as a 'market economy', which would make it harder to impose penalties on China for dumping exports. Ideological sympathies were reported to play an important role in forging Brazil's policy toward China.<sup>55</sup> In Iran, two of Supreme Leader Ayatollah Ali Khamenei's foreign-policy advisers are big champions of the Chinese model – former Foreign Minister Ali Akbar Velayati and his former deputy, Abbas Maleki.<sup>56</sup> With their blessings, Iran looks to steadily increase its linkages with countries to its east, such as China and India.<sup>57</sup>

In Africa, the Ethiopian case is illustrative. Until the mid-1990s, China's ties with this country were limited. When Ethiopia went to war against neighbouring Eritrea in the late 1990s, the United States responded by reducing its

diplomatic presence. Yet China reacted by dispatching even more diplomats, engineers, businessmen and teachers to Ethiopia. Today, China is able to exercise increasing influence in Addis Ababa: its embassy hosts more high-level visits than any Western mission, and its companies have become a dominant force in the country.<sup>58</sup> Similar stories are found in other parts of Africa, such as in Zimbabwe and Sudan.<sup>59</sup>

China's soft power is also felt in Western democracies. None of the Western countries in the BBC survey has a majority of the public holding a negative view of China's influence. Australia (56%) and France (49%) lead the liberal democracies in favouring Chinese influence. Even in the United States, where 47% (the highest among all surveyed nations) have negative view of China's influence, 39% express positive views. The improvement of China's image in part explains why some Western democracies seem less willing to get mixed up in US-China tensions, such as over Taiwan.

An extensive poll taken by the Sydney-based Lowy Institute in February 2005 found that in identifying the greatest potential threats to Australia on the international scene, 32% and 25% of Australians were 'very worried' or 'fairly worried', respectively – a total of 57% of those polled – about US foreign policy, while only 16% were 'very worried' and 19% were 'fairly worried' about China's growing power. When asked if Australia's commitment to the ANZUS pact should mean following the United States into war with China over Taiwan, 79% of respondents answered 'no'. On trade issues, the Lowy poll found that 34% support the free trade agreement with the United States, while 51% believe it would be a good idea to pursue such an agreement with China. When asked to rate countries or groups based on either positive or negative feelings toward them, China received a 'positive' rating from 69% of the respondents; the United States garnered a 'positive' rating from 58%.<sup>60</sup> One senior Australian scholar observed, 'the Chinese have proved better than the US at using the "soft power" of trade and diplomacy, which was supposed to be a strong point for the latter'.<sup>61</sup>

Even in its relations with Washington, China has been able to exercise soft power for diplomatic gains. By playing a pivotal role in the Six-Party Talks over North Korea, Beijing has garnered credit for being a responsible and cooperative power in the international system. In his November visit to Beijing, President Bush reportedly expressed his view 'welcom[ing] a China that is more influential and powerful as long as China operates alongside us in ways that are mindful of U.S. global interests and the established "rules of the road"'.<sup>62</sup>

A most intriguing example of China's soft power can be seen in its relations with Taiwan. In 2005, China launched a charm offensive against the politicians and people in the island by inviting opposition party leaders to visit the main-

land, extending tuition benefits to Taiwanese studying at mainland universities, and, through a zero-tariff policy on imports of Taiwan's fruit, offering export incentive perks to farmers in the south of Taiwan (traditionally a pro-Taiwan independence stronghold). This 'hearts-and-minds' policy not only aims to reduce the perception of military threat from China, but also gives the Chinese government leverage to exercise influence in Taiwan's political culture and society, and politically marginalise Taiwan's independence-oriented president, Chen Shui-bian.

In part as a result of Beijing's manoeuvres in recent years – and Chen's increasingly frustrated but worrisome responses – the possibility for Taiwan independence seems more distant and difficult. Chen Shiubian has increasingly alienated American supporters in Washington who do not appreciate what they see as his provocative political stance on cross-Strait issues. In the meantime,

some 1 million, or about 5%, of the Taiwan population lives and works in China, and Taiwan business has invested more than \$100bn on the mainland.

To be sure, some of China's influence over Taiwan is not so 'soft' at all: its military build-up along the Taiwan Strait, including the deployment of more than 700 ballistic missiles targeting the island, is a coercive threat aimed at thwarting independence moves by Taiwan. On the other hand,

the Taiwan legislature's inability or unwillingness since 2001 to appropriate funding to purchase some \$18bn worth of weapons offered by Washington – a seemingly wise course in the face of China's growing military clout – is another indication of the mainland's ability to shape policy decisions on Taiwan in its favour. Beijing's influence still falls far short of achieving reunification with Taiwan. Indeed, the vast majority of Taiwan's citizens prefer a status quo which neither invites Chinese coercion (or worse) nor requires unification with the Communist mainland. But a combination of Beijing's soft- and hard-power instruments in recent years appears to have stemmed the political fortunes of the pro-independence movement in Taiwan for the time being.

### **Limits and constraints of soft power**

Despite these achievements, China faces numerous constraints. As the Taiwan case illustrates, Beijing is not entirely able to achieve desired outcomes, even in this area of enormous importance to Chinese interests where China has substantial soft power influence, and needs to be content with 'half a loaf' outcomes. Three major factors hinder its efforts to project its soft power effectively: imbalance in resources, legitimacy concerns of its diplomacy, and a lack of a coherent agenda.

Taiwan  
independence  
seems more  
distant and  
difficult

PROOF

*Imbalance in soft-power resources*

Development of an ideal mix of soft-power resources to serve its foreign-policy agenda remains a daunting challenge for Beijing. As far as cultural attractiveness is concerned, China has great resources, but admits it is not strong in marketing its cultural products.<sup>63</sup> While products with 'Made in China' labels appear to be everywhere, China is still no match for the United States in cultural attractiveness – few Chinese companies, cultural icons, movies or brand names have the ubiquity of Microsoft, MTV, Mickey Mouse or Big Macs.<sup>64</sup> According to the National Information Security Report, only 4% of global information resources are carried in Chinese, although China accounts for one-fifth of the world population.<sup>65</sup> A true expansion of contemporary Chinese culture requires a politically relaxed environment that encourages freedom of expression and a free exchange of ideas among Chinese and the world at large, which the monistic political system remains loath to offer.

The so-called 'Beijing Consensus' development model has fault lines, too. To paraphrase Paul Krugman, the miraculous economic growth in China has been based on perspiration rather than inspiration.<sup>66</sup> Official statistics suggest that two-thirds of China's large- and medium-size industrial enterprises do not have R&D activities and two-thirds of the patented Chinese projects in 2004 were completed by foreign firms in China.<sup>67</sup> As a leading business magazine in Russia commented, China is at most a 'great emulator' because Western investors and management styles dominate China's economic achievements.<sup>68</sup>

But unlike in advanced industrialised democracies, the rapid economic growth, while raising the overall standard of living, has not been translated into similar gains in other important dimensions of human development. The inequality of income distribution is significantly higher in China than in the United States, with the Gini coefficient – an international measurement of income disparity – reaching 0.53 in 2004.<sup>69</sup>

Meanwhile, China's development model also faces serious socioeconomic challenges at home, as the government is increasingly pressed to provide adequate public goods and services in areas of public safety, education, health care, environmental protection and law enforcement.<sup>70</sup> The official media reveals that if affordability is taken into account, an average Chinese college student is spending three times as much as his counterpart in Japan, which is alleged to have the highest tuition level in the world.<sup>71</sup>

According to a recent report released by the Chinese State Council Development Research Centre, medical resources have been mostly allocated to urban areas and to government departments or state-owned units. The same report

*The 'Beijing  
Consensus'  
has fault  
lines*

further claims that China's medical reform has basically been a failure, placing an unbearable expense on patients, many of whom dare not go to the hospital when they fall ill.<sup>72</sup> Nearly 80% of rural residents and about 55% of urban residents are not covered by health insurance.<sup>73</sup> Out-of-pocket spending for health care is soaring. In spite of China's economic growth, according to the United Nations Development Programme only 44% of China's population had 'sustainable access to improved sanitation' in 2002 (though that is double the percentage in 1990), and some 23% of the population in 2002 did not have 'sustainable access to improved water sources', down only 7 percentage points from 1990.<sup>74</sup>

The Chinese model is further tarnished by rampant corruption, which is such a serious problem that President Hu Jintao called it 'the most dangerous factor' weakening the Communist Party's claim to rule.<sup>75</sup> The widening income gap, withering state and widespread corruption call into question sustainability and long-term appeal of China's development and the so-called 'Beijing Consensus'.

#### *China's diplomacy: problems of legitimacy*

The lack of meaningful political reform, coupled with Beijing's friendship with dictators in the developing world, creates a legitimacy problem. As Nye has pointed out, states most likely to project soft power in an information age are those whose dominant ideas are closer to global norms, which now emphasise liberalism, pluralism and autonomy.<sup>76</sup> Beijing seems to express few qualms about cutting political and economic deals with corrupt and even brutal, dictators. In July 2005, Beijing lavished honours on Zimbabwean President Robert Mugabe (a disciple of the 'Beijing Consensus'), at a time when UN Secretary General Kofi Annan spoke of Mugabe's 'catastrophic injustice' in implementing his urban eviction programme.<sup>77</sup> Beijing's close economic and political ties with such regimes help keep dictatorships afloat and blunt international pressures for any meaningful economic and political change. In 2004, China also helped deflect US and other Western efforts to take tougher steps against Sudan, which supplies nearly 5% of China's oil but has a notorious human-rights record, especially in its Darfur region.<sup>78</sup> China's close economic and political relations with Iran will also come under greater scrutiny as the international community seeks to stem Tehran's nuclear ambitions.

In justifying its activities in Africa, the Chinese government insists 'business is business'.<sup>79</sup> Yet coddling dictators can antagonise democratic oppositions and may bode ill for sustaining Beijing's influence in those countries. The opposition Movement for Democratic Change in Zimbabwe, for example, has made it clear that if it came to power it would not honour any loan repayments or deals signed by Mugabe.<sup>80</sup> To the extent that soft power rests on legitimacy, China must also take growing international commitment to human rights into account

or else undermine its international standing at a time it is trying to portray a more benign image. Not coincidentally, the only three countries with a plurality viewing Chinese influence as negative (Germany, the United States and Poland) are liberal democracies.

Moreover, legitimacy concerns undermine China's claim to moral high ground even at a time of overall decline in US soft power.<sup>81</sup> In a Pew Global Attitudes Survey in 2005, more than 12% of the people queried in West European countries see the United States as the major power most likely to come to the aid of people threatened by genocide. No more than 3% said they would turn to China.<sup>82</sup>

The legitimacy of China's diplomacy can be further weakened by dynamics of globalisation, which allow many non-state actors to attract coalitions that cut across national borders but operate at very lost cost. Even though Chinese soft power will generate closer relationships with governments, democratic and otherwise, there will continue to be nongovernmental groups (for example, human rights groups, labour unions, the Falun Gong movement, the Tibetan émigré community, Chinese political dissidents) that sabotage this effort by focusing world attention on the China threat or human rights abuses.

#### *Foreign-policy incoherence*

The third factor that hinders Beijing's efforts to mobilise soft power is the lack of coherence in promoting its foreign policy. Beijing's ability to pursue a coherent and conciliatory foreign policy is crucial for advancing a benign and attractive image to its neighbours and around the world. In so doing, however, Beijing often finds itself burdened by history and distracted by rising nationalist sentiments. In part, this is because its turbulent 3,000-year long history itself is highly contested.<sup>83</sup>

This was demonstrated in the dispute between China and South Korea over the ethnic lineage of Koguryo, a 1,400-year-old kingdom that stretched from China's Inner Mongolia in the north and included most of what is today North Korea in the south. In 2003, China applied to the United Nations Economic, Social and Cultural Organisation (UNESCO) to have Koguryo-era tombs and murals located on its side of the Yalu River registered as a World Heritage site, a step interpreted by Koreans as exerting an historical Chinese claim to the broader Koguryo territory, including what is now North Korea. This triggered strong anti-Chinese protests in South Korea in 2003–2004.<sup>84</sup> Not surprisingly, despite the cultural similarities between the two countries, public opinion on China appears equally divided in South Korea, where a plurality (48%) see China's influence as positive, and a close 47% see it as negative.

Official and popular historiography of a China that has a long and glorious past, but was bullied and humiliated by foreign powers after 1840, has created a

deep sense of victimisation among the Chinese people. As Peter Gries observed, nationalist sentiment, once nurtured by the Communist Party during the pre-1949 civil war, has been taken up independently by a new generation of Chinese and is now threatening the regime's stability.<sup>85</sup> In response, Chinese leaders have sought to harness this popular nationalism for domestic and foreign policy gains, even though a nationalist stance contrasts with the ostensibly 'good neighbour' foreign policy.

The Chinese government's tacit encouragement of the 2005 anti-Japanese protests is a case in point. The nationalist impulse, in combination with the spectacular growth in China's economic and military capabilities, provides ammunition for conservative Japanese politicians to argue that Beijing is taking an aggressive path. As a result, China suffered a serious setback in Japan and Sino-Japanese relations plunged to their lowest point since 1972. According to a recent survey, only 37.6% of Japanese feel friendship toward China, a drop of 10.3 percentage points from 2004.<sup>86</sup>

Problems with internal consistency in foreign policy also explain why China has not been able to reap significant gains in liberal democracies, even at a time of waning US prestige in many quarters. The 16-Nation Pew Survey suggests that, while 'there is substantial support in most countries for a military rival to challenge America's global dominance', opposition to *China* playing that role ranges from 71% in the United Kingdom, France and Russia, to 82% in Germany.<sup>87</sup>

### Policy implications

Despite an expansion and successful use of soft power, China has not yet developed an ideal mix of soft-power resources to achieve desired foreign-policy objectives. The gap between an increasingly cosmopolitan and confident foreign policy and a closed and rigid domestic political system is responsible for the imbalance between three pillars of soft power: cultural attractiveness, examples set by domestic values and policies, and values expressed through foreign policy. This lack of balanced soft-power resources also accounts for Beijing's legitimacy and coherence problems in the exercise of soft power. Given the constant tensions between its foreign-policy objectives and the still-nascent soft-power resources, China still has a long way to go before becoming a true global leader.

Nevertheless, we should expect China's soft-power resources to grow in the coming years. As China's soft power grows, it presents the international community with an interesting dilemma. On the one hand, China is shepherding its resources for the long-term goal of being a dominant player in East Asia and beyond. As and if Beijing achieves success in this pursuit, it will have enormous,

and potentially negative, implications for the current balance of power in the region, and especially for the United States and its allies in the Asia-Pacific.

On the other hand, many aspects of China's foreign policy which substantiate its soft power – greater acceptance of norms governing international relations, peaceful settlement of disputes, mutually beneficial economic ties, recognition of the need to address non-traditional and transnational security problems such as terrorism, international crime and proliferation – are increasingly convergent with approaches advocated by the vast majority of the international community.

How the major powers, and especially Washington, respond to this dilemma in the near to medium future will be a major factor shaping the stability of East Asia and the world. A neo-containment policy to prevent China's rise is not realistic, and – in light of Beijing's continued and nuanced use of its hard and soft power – is unlikely to be acceptable to many in the region and beyond. In addition, dwelling narrowly on countering the 'hard' aspects of Chinese power not only overlooks important Chinese soft-power gains, but could become a self-fulfilling prophecy by provoking Beijing to step away from the favourable aspects of its soft power and focus instead on throwing around its growing military and economic weight.

*Neo-containment  
to prevent China's  
rise is not realistic*

Rather, concerned major powers and others in the international community should be even more active in deepening Chinese commitments where Beijing's foreign policy and practice converges with global norms. The leading powers should be prepared to reward China's responsible and constructive behaviours, but also be more willing to call out China as a scofflaw or obstacle when its policies run counter to China's own stated goals and to support widespread international norms and practice. For the United States, Deputy Secretary of State Robert Zoellick's efforts to encourage China to become a 'responsible stakeholder' in world affairs is a conceptual step in the right direction – and an overall policy approach that many other major powers have already taken with China – but needs to be further advanced to see concrete action on China's part.

Concerned Western and other regional powers should also step up their consultations about China, not as a means to 'gang up' against Beijing or 'close ranks' in the face of China's rise. Rather, these powers, and especially the United States, should see such consultations as a more serious listening and dialogue campaign with key allies and friends about respective approaches to addressing the challenges and opportunities of a rising China, especially with regard to China's soft power.

China's rise as a stronger economic and military power may be inevitable, and there are a host of hard-power tools which can be used by Washington and

other concerned powers in response. Less obvious is whether the major powers have fully grasped the steady advance of Chinese soft power – both its opportunities and challenges – and how to respond to them. It is time to start.

## Notes

- 1 See for example Zbigniew Brzezinski and John J. Mearsheimer, 'Clash of the Titans', *Foreign Policy*, no. 146, January–February 2005, pp. 46–50.
- 2 See Joseph S. Nye, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004); and Joseph S. Nye, *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990).
- 3 Lam Pin Foo, 'Only the Tang Dynasty Came Close to Having Influence', *The Straits Times*, 26 October 1996.
- 4 'Big Increase in Chinese "TOEFL" Examinees', *People's Daily Online*, 7 January 2003, available at [http://english.people.com.cn/200301/07/eng20030107\\_109699.shtml](http://english.people.com.cn/200301/07/eng20030107_109699.shtml).
- 5 Tim Johnson, 'China Muscles In: From Trade to Diplomacy to Language, the U.S. is being Challenged', *The Gazette* (Montreal), 30 October 2005.
- 6 Chinese Ministry of Education, 20 May 2005, available at <http://www.eoe.or.kr/ziliaoshi/tongjiziliao/2004aihualixue.doc>.
- 7 *Ibid.*
- 8 See Chinese Ministry of Education, *Zhongguo jiaoyu nianjian* [China Education Yearbook] (Beijing: Renmin jiaoyu chubanshe, various years).
- 9 *Zhongguo jiaoyu nianjian 2005*.
- 10 David Shambaugh, 'Rising Dragon and the American Eagle', *YaleGlobal*, 20 April 2005.
- 11 Nye, *Soft Power*, pp. 15–16.
- 12 Institute of International Education, *Open Doors 2004. Report on International Educational Exchange*, available at <http://opendoors.iienetwork.org/?p=49931>.
- 13 Jane Perlez, 'For Many Asians, China is Cultural Magnet', *International Herald Tribune*, 19 November 2004.
- 14 Anne McGrath, 'A Loss of Foreign Talent', *U.S. News & World Report*, 22 November 2004, p. 76.
- 15 See David S.G. Goodman, 'China in East Asian and World Culture', in Barry Buzan and Rosemary Foot, *Does China Matter? A Reassessment* (New York: Routledge, 2004), p. 73.
- 16 See Hu Jintao's address to a Joint Sitting of the Australian Parliament on 24 October 2003, available at <http://www.australianpolitics.com/news/2003/10/03-10-24b.shtml>.
- 17 Nye, *Soft Power*, p. 56.
- 18 Liu Jie, 'Chinese Tourists Flocking Overseas', *China Daily*, 4 July 2005.
- 19 Jane Perlez, 'Chinese Move to Eclipse U.S. Appeal in South Asia', *New York Times*, 18 November 2004.
- 20 Joshua Cooper Ramo, *The Beijing Consensus* (London: Foreign Policy Centre, 2004).
- 21 Robert Kaplan, 'Sometimes, Autocracy Breeds Freedom', *New York Times*, 28 June 1998.
- 22 Greg Sheridan, 'Chinese Model Passes the Test', *The Australian*, 25 August 2005.
- 23 Thomas L. Friedman, 'Thou Shalt Not Destroy the Center', *New York Times*, 11 November 2005.
- 24 Howard W. French, 'China Moves Toward Another West: Central Asia', *New York Times*, 28 March 2004.
- 25 'Manmohan Singh Sees China as Model for Economic Growth', *India Daily*, 23 January 2005.

- 26 Ramo, *The Beijing Consensus*, p. 34.
- 27 Abraham McLaughlin and Ryan Truscott, 'Africa Looks East for Political Role Models', *Christian Science Monitor*, 5 July 2005.
- 28 Bijan Khajehpour, 'Protest and Regime Resilience in Iran', *Middle East Report Online*, 11 December 2002, <http://www.merip.org/mero/mero121102.html>; 'Iran's Islamic Conservatives Ponder "Chinese Model"', Reuters, 25 February 2004.
- 29 'Iran Election: The Chinese Model versus the North Korean Model', *Asharq Alawsat*, 24 June 2005.
- 30 Denis D. Gray, 'In Laos, a 30-year Communist Lock', AP, 2 December 2005; Eric Teo Chu Cheow, 'China lights Vietnam's path', *The Japan Times* 12 January 2004.
- 31 Mark Leonard, 'The Road Obscured: New Left or "Neo-Comm"?', *Financial Times*, 9 July 2005.
- 32 Nye, *Soft Power*, p. 7.
- 33 Evan S. Medeiros and M. Taylor Fravel, 'China's New Diplomacy', *Foreign Affairs*, vol. 82, no. 6, November–December 2003, pp. 22–35.
- 34 Bates Gill, *Rising Star: China's New Security Diplomacy*, unpublished manuscript, chap. 1.
- 35 State Council Information Office, 'White Paper on Peaceful Development Road', 22 December 2005, available at <http://www.china.org.cn/english/2005/Dec/152669.htm>.
- 36 M. Taylor Fravel, 'Regime Insecurity and International Cooperation: Explaining China's Compromises in Territorial Disputes', *International Security*, vol. 30, no. 2, Fall 2005, p. 46.
- 37 Alistair Iain Johnston, 'Is China a Status Quo Power?', *International Security*, vol. 27, no. 4, Summer 2003, pp. 5–56.
- 38 *Renmin ribao*, overseas edition, 20 October 2005; Jean A. Garrison, 'China's Prudent Cultivation of "Soft" Power and Implications for U.S. Policy in East Asia', *Asian Affairs: An American Review*, vol. 32, no. 1, Spring 2005, p. 26.
- 39 For a background on China's changing approach to peacekeeping, see Bates Gill and James Reilly, 'Sovereignty, Intervention and Peacekeeping: The View from Beijing', *Survival*, vol. 42, no. 3, Autumn 2000, pp. 41–59.
- 40 Xinhua Net, [http://news.xinhuanet.com/mil/2005-09/21/content\\_3519927.htm](http://news.xinhuanet.com/mil/2005-09/21/content_3519927.htm).
- 41 See the United Nations Department of Peacekeeping Operations website [http://www.un.org/Depts/dpko/dpko/contributors/2005/dec2005\\_2.pdf](http://www.un.org/Depts/dpko/dpko/contributors/2005/dec2005_2.pdf).
- 42 Robert Sutter, 'Why Does China Matter', *The Washington Quarterly*, vol. 7, no. 1, Winter 2003–04, p. 87.
- 43 'No Time like the Present', *The Economist*, Survey of China, 25 March 2006, p. 19.
- 44 *Renmin ribao*, overseas edition, 7 January, 2005, p. 2.
- 45 Farah Stockman, 'US Accepts nearly \$1b in Foreign Aid', *The Boston Globe*, 8 September 2005.
- 46 *Ibid.*
- 47 *China Times*, 29 August 2005, available at [www.chinatimes.com](http://www.chinatimes.com).
- 48 The term 'peaceful rise' has been quietly dropped and has been replaced with 'peaceful development'.
- 49 *Renmin ribao*, overseas edition, 14 December 2005.
- 50 Nye, *Soft Power*, p. 18.
- 51 The poll of 22,953 people in 22 countries was conducted for the BBC World Service by the polling organisation GlobeScan, together with the Program on International Policy Attitudes (PIPA) at the University of Maryland. The survey was completed in most of the countries in December 2004. More information is available at

- <http://www.pipa.org/OnlineReports/BBCworldpoll/030505/html/bbcpoll3.html>.
- 52 PIPA and GlobeScan, '22-Naiton Poll Shows China Viewed Positively by Most Countries Including Its Asian Neighbors', available at <http://www.pipa.org/OnlineReports/BBCworldpoll/030505/html/bbcpoll3.html>.
- 53 Joshua Kurlantzick, 'China's Chance', *Prospect*, 17 February 2005.
- 54 David Shambaugh, 'Beijing Charms its Neighbors', *International Herald Tribune*, 14 May 2005. See also Edward Cody, 'China's Quiet Rise Casts Wide Shadow', *Washington Post*, 26 February 2005.
- 55 Larry Rohter, 'China Widens Economic Role in Latin America', *New York Times*, 20 November 2004.
- 56 Reuters, 'Iran's Islamic Conservatives Ponder "Chinese Model"', 25 February 2004.
- 57 Sharif Shuja, 'Warming Sino-Iranian Relations: Will China Trade Nuclear Technology for Oil?', *China Brief*, vol. 5, no. 12, 24 May 2005, p. 10.
- 58 Karby Leggett, 'China Flexes Economic Muscle Throughout Burgeoning Africa', *Wall Street Journal*, 29 March 2005. See also Howard W. French, 'China Wages Classroom Struggle to Win Friends in Africa', *New York Times*, 20 November 2005.
- 59 See Yitzhak Shichor, 'Sudan: China's Outpost in Africa', *China Brief*, vol. 5, no. 21, 13 October 2005; and Joshua Eisenman, 'Zimbabwe: China's African Ally', *China Brief*, vol. 5, no. 15, 5 July 2005.
- 60 Ivan Cook, *Australians Speak 2005: Public Opinion and Foreign Policy* (Sydney: Lowy Institute for International Policy, 2005), available at [www.lowyinstitute.org](http://www.lowyinstitute.org). Similarly favourable views of China and more cautious views of US policy were expressed to the author by Australian businesspersons, politicians and policy analysts in Perth, Melbourne, Canberra and Sydney. Author discussions and interviews in Australia, October 2005.
- 61 Hugh White, 'After Britain and the US, China is in Line to be our New Best Friend', *The Sydney Morning Herald*, 24 March 2005.
- 62 Randall G. Schriver, 'The President's Agenda', in National Committee on US-China Relations, 'In Review: President Bush's Visit to Beijing', e-mail broadcast, 1 December 2005. Randall Schriver was deputy assistant secretary of state for Asia and Pacific affairs in the George W. Bush administration.
- 63 *Renmin ribao*, 15 July 2005, p. 4.
- 64 Nye, *Soft Power*, pp. 33-4.
- 65 Speech by Liu Changle, chairman of Phoenix Satellite Television, 22 September 2003, available at [http://www.csonline.com.cn/zt/ztchangsha/20030916cmlt/20030916\\_cmlt2/t20030922\\_21886.htm](http://www.csonline.com.cn/zt/ztchangsha/20030916cmlt/20030916_cmlt2/t20030922_21886.htm).
- 66 Paul Krugman, 'The Myth of Asia's Miracle', *Foreign Affairs*, vol. 73, no. 6, November-December 1994, pp. 62-78.
- 67 *Jiefangjun bao* (PLA Daily), 8 December 2005.
- 68 *Expert Weekly* (Russia), 4 July 2005, Chinese translation appeared in *Guoji xianqu daobao* (International Herald Leader), 11 July 2005.
- 69 Josephine Ma, 'Wealth Gap Fuelling Instability, Studies Warn', *South China Morning Post*, 22 December 2005. The Gini coefficient is a statistical measure of wealth distribution and disparity, where zero means all persons have the same wealth in a given group or country, and 1.0 means one person has all the wealth in that group or country.
- 70 Minxin Pei, 'China's Governance Crisis', *Foreign Affairs*, vol. 81, no. 5,

- September–October 2002, pp. 96–109.
- 71 *Zhongguo qinnian bao* (China youth daily), 3 August 2005, available at <http://www.people.com.cn/GB/news/37454/37459/3587825.html>.
- 72 'The Medical Reform Controversy,' *Beijing Review*, vol. 38, 2005.
- 73 From Project Team of the State Council Development Research Center, 'An Evaluation of and Recommendations on the Reforms of the Health System in China', *China Development Review* (supplement), vol. 7, no. 1, March 2005, pp. 121 and 151–2.
- 74 See the *Human Development Report 2005* (New York: United Nations Development Programme, 2005), p. 241, available at [http://hdr.undp.org/reports/global/2005/pdf/HDR05\\_HDI.pdf](http://hdr.undp.org/reports/global/2005/pdf/HDR05_HDI.pdf).
- 75 Xinhua News, 12 January 2005.
- 76 Joseph S. Nye, 'Soft Power in the Information Age', luncheon lecture, Harvard University, 2 May 2000.
- 77 United Nations Information Service, 'Secretary-General Calls for Immediate Halt to Evictions, Demolitions in Zimbabwe, Saying Envoy's Report Confirms "Catastrophic Injustice"', 25 July 2005, available at <http://www.unis.unvienna.org/unis/pressrels/2005/sgsm10012.html>. The full report is available at <http://www.unhabitat.org/documents/ZimbabweReport.pdf>.
- 78 Abraham McLaughlin, 'A Rising China Counters US Clout in Africa', *Christian Science Monitor*, 30 March 2005; and Leggett, 'China Flexes Economic Muscle'.
- 79 Zhou Wenzhong, then Chinese deputy foreign minister, quoted in Howard French, 'China in Africa: All Trade and No Political Baggage', *New York Times*, 8 August 2004.
- 80 Gavin du Venage, 'Mugabe Rebuffed by China,' *The Australian*, 1 August 2005.
- 81 See Joseph S. Nye Jr, 'U.S. Power and Strategy After Iraq', *Foreign Affairs*, vol. 82, no. 4, July–August 2003, pp. 60–73.
- 82 The 16-Nation Pew Survey reveals that in Western Europe and Canada, large majorities favour a countervailing military force. See Pew Global Attitudes Project, 'American Character Gets Mixed Reviews, 16-Nation Pew Global Attitudes Survey', available at <http://pewglobal.org/reports/display.php?ReportID=247>.
- 83 Goodman, 'China in East Asian and World Culture,' p. 77.
- 84 David Scofield, 'Northeast Asia's Intra-mural Mural Wars', *Asia Times*, 23 December 2003, available at <http://www.atimes.com/atimes/Korea/EL23Dg01.html>.
- 85 Peter Hays Gries, *China's New Nationalism: Pride, Politics, and Diplomacy* (Berkeley, CA: University of California Press, 2004).
- 86 'Public Opinion of China Hits Record Low, National Poll Shows', *Japan Times*, 20 December 2004.
- 87 Pew Global Attitudes Project, 'American Character Gets Mixed Reviews', 16-Nation Pew Global Attitudes Survey, available at <http://pewglobal.org/reports/display>.

PROOF