China's use of soft power as a rising power

F. Paruk
Department of Political Sciences
University of South Africa

Abstract

China's foreign policy has been isolationist for most of the past 100 years. During the past 30 years it has gradually shifted to becoming a global power in international relations; in the process it has joined several multilateral organisations and played a key role in establishing its prominence within these organisations.

This article focuses on China's use of "soft power" to conscientiously and strategically enhance its global appeal. China's diplomatic strategy uses multilateralism, economic diplomacy and a good-neighbour policy as three forms of soft power in order to increase its attractiveness in the international community and, together with its hard power, to manage its rise as a world power.

Keywords: soft power, Joseph Nye, China's foreign relations, multilateralism, good-neighbour policy, economic diplomacy

INTRODUCTION

Joseph S Nye is considered the foremost architect of the notion of "soft power" as opposed to 'hard power'. As a Harvard academic his concepts have been accepted by practitioners and policy specialists and they are today common terms in foreign policies and diplomacy. However, when he discussed his theories of soft power, he was clearly referring to the United States' (US) foreign policy and how it can strategically implement soft power to enhance its national interest, and more importantly win favour in the international community (Nye:1990a).

In 1988, Nye pointed out that soft power is the key ingredient of any great power (Nye 2004: 2–11) or rising power status – the latter is a term used specifically by the Chinese. The concept of "soft power" should be considered in contrast to the conventional emphasis on hard power. "Hard power" in foreign policy includes military threats, political isolation, economic sanctions or the imposition of political and cultural values on others: "bullying other countries based on its stronger status

in the perspective of military strength, and manipulating some international rules against some other countries' national interest" (Ding 2008b: 195).

Although military and economic powers are viewed as "hard powers", they can have a softer side. For example, the execution of military power can include coercive diplomacy, the use of war and building alliances; economic power can include aid, bribes and sanctions; while soft power includes public, bilateral and multilateral diplomacy. However, in many respects, such policies as coercive diplomacy, alliance formations, aid and sanctions are implemented through either bilateral or multilateral diplomacy. In this regard, the policies and actions of hard and soft power sometimes overlap.

Soft power consists of a nation's ideology, image, conduct of foreign policy, political persuasion and more importantly, its cultural appeal (Nye 1990a: 9–10). In this article it is argued that Nye has excluded some key components of soft power – mainly multilateralism, a good-neighbour policy and economic diplomacy, which are all important for China.

When China began to emphasise its rising power status, it not only highlighted the political and economic aspects of its development but also focused on the cultural dimensions, an aspect of soft power emphasised by Nye. "What China has to offer to the world is not just manufacturing goods, but also distinctive and attractive cultural values and products" (Kurlantzick 2007: 37–60).

According to Zhao, Lai and Tan, "China's "cultural rise" (*wenhuajueqi*) and cultural soft power (*wenhuaruanliliang*) can help increase the global attraction of China and undermine the negative image of a menacing China" (Zhao, Lai and Tan 2006: 30). In other words, China's positive cultural appeal abroad can help soften China's image as a rising power.

Therefore in the last two decades, Chinese soft power has mainly been manifested in two areas, namely in its foreign policy and its behaviour on the international stage. Both have been characterised by multilateralism, economic diplomacy, a good-neighbour policy and "export" of the Chinese development model.

One can argue that in the past China was wary of multilateral arrangements and was not receptive to its neighbours. However, in the past decade China has joined the World Trade Organization (WTO), contributed more than 3 000 troops to serve in the United Nations peacekeeping operations, played a more active role in non-proliferation issues, settled some territorial disputes with its neighbours and joined a variety of regional organisations. This new diplomacy, coupled with the policy of advocating a "harmonious world", has helped to alleviate fears and reduce the likelihood of other countries allying against it to balance a rising power.

The objective of this article is to apply Nye's popular concept of 'soft power' and to demonstrate that in the case of China, elements that Nye does not emphasise are

more relevant to an analysis of China's use of soft power. The article commences with a brief summary of how China perceives the US's use of hard power and unilateralism. This is followed by individual sections on China's use of soft power in the form of multilateralism, its policy of developing good relations with its neighbours, its economic DIPLOMACY AND ITS OWN DEVELOPMENT MODEL.

CHINA AND THE UNITED STATES' HARD POWER / UNILATERALISM

Arguably, during the period 2003–2008 the US failed to use its political, cultural and material resources to its advantage as a means of soft power. In fact the US engaged in an aggressive international war on terror, resulting in an unfavourable global image, which had severe consequences for its foreign policy, especially in the Middle East and Asia.

Scholars and analysts have argued that during and after the Cold War, American foreign policy was characterised mainly by an inappropriate use of hard power against developing countries.

It is argued that in contrast, the Chinese advocated a soft or softer approach that ultimately had greater appeal for the international community. Being the only superpower at the time, the US had no other global powers to contend with and therefore increasingly used its force to pursue a policy of unilateralism and militarism. An example of this was when the US convinced NATO to launch the Kosovo War in 1999 in the absence of a UN Security Council resolution. After the 9/11 terrorist attacks, it formulated a foreign policy strategy of pre-emptive attack. Under the pretext of confronting Al-Qaeda and destroying Saddam Hussein's alleged weapons of mass destruction in Iraq, the Bush Administration formed the "coalition of the willing" to invade Iraq, ignoring the absence of a UN Security Council authorisation of such action and other international organisations' objections. As a result, Washington's use of hard power caused many countries to become suspicious and mistrustful of American motives (Ding 2008a: 111).

As a consequence, China is constantly reminded of the lessons learned from the US experience, and hence Beijing places great importance on cultivating a favourable image of China through the use of soft power (Ding 2008b: 193–213).

In 2009 the Obama Administration revisited its foreign policy and advocated the use of 'smart power' instead of hard power as a means of winning over its old enemies and adversaries. For instance, in 2010 US Secretary of State Hilary Clinton spoke of using 'smart power' to resolve old conflicts in the Middle East, Asia and Latin America (Yu 2009: 22–33). Chinese leaders and analysts have placed

great emphasis on soft power as a key element in their foreign policy. With China's international influence rising rapidly, the perceived "China threat" has created concerns in countries of the Asia-Pacific region, and even more so among politicians in the US and Japan. This "threat" was initially flagged in military circles and among national security advisors. In recent years, the Pentagon has observed China's gradual military build-up and the lack of transparency in its military operations. There is no doubt that the US sees China's rise as a potential challenge to its own hegemony (Yu 2009: 22–33).

Not surprisingly, many China commentators see China's pursuit of its publicly stated policy objective of promoting a 'harmonious world' only as diplomatic expediency, serving its short-term strategic purpose of fostering a favourable international environment for its economic growth. One cannot present China's approach to international relations only in terms of 'soft power'. The assessment should also include a realpolitik dimension that 'China will eventually use its growing influence to reshape the international system to better serve its interest, while other states in the system start to see China as a growing security threat, which thus results in tension, distrust and conflict' (Ikenberry 2008: 50).

More recently the Chinese 'threat' has taken on an increasingly economic dimension. Discordant voices in the US Congress and the European Union Commission, regarding the vast trade balance deficit between China and the Western countries, are concerned that China's cheap exports have destroyed local production and small businesses.

Many Western countries are also dissatisfied with China's manipulation of its currency. Realising that it is important at this stage to ease the concerns of the West and the rest of the world, Beijing is increasingly using soft power to deflect attention away from its rapidly growing trade, economic, political and military strength. Chinese diplomacy has become increasingly active by expanding its influence in Asia, Latin America, Africa and the Middle East, and taking a more assertive position against the US and other Western powers.

On the other hand, many Western observers were surprised by China's "aggressive muscular assertiveness" during the global financial meltdown. During President Obama's first visit to China in November 2009, China refused to support a tougher climate change agreement in Copenhagen, and furthermore it refused to stand for tough Security Council sanctions against Iran. These incidents suggested that China had changed direction and taken advantage of the global crises by acting more assertively towards the US, Japan and Europe. Some scholars have argued that 'Beijing now asserts its interest and its willingness to prevail, even at the expense of appearing the villain' (Small 2010).

Contrary to the views of many scholars and academics, it is argued here that China's soft power has been confined to four main areas: multilateralism, economic diplomacy, a good-neighbour policy and projection of the Chinese developmental model.

Within two decades (during the 1980s and 1990s), China's international influence has expanded, as has the phenomenal pace of its economic growth. During this period, China's annual average growth rate increased from 7% to 8%. Simultaneously, China has integrated itself as a prominent and important member of the international community (Ding 2008a: 197).

CHINA'S MULTILATERALISM AS SOFT POWER

Multilateralism has been a foreign concept for most of China's history. From the 1940s to the 1960s, during the Mao era, China practised a policy of isolationism towards the international community and its foreign counterparts. However, after Deng Xiaoping came to power in 1978 he advocated a quieter, more cautious, pragmatic and peaceful policy towards other countries. Deng Xiaoping advised the Chinese: "observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; never claim leadership" (Deng 1994). During the Cold War and through the early 1990s, China was hesitant to get involved in any international organisations, advocating a role amongst the developing countries rather than being a global leader.

By the 21st century, China had gradually incorporated multilateralism into its foreign policy as a core function and joined international multilateral organisations. There was a major shift in foreign policy, from being uninterested and maintaining a low profile to being an active participating member of the international community. "Multilateral diplomacy' emerged as an integral component of Chinese foreign policy. As Wang Jianwei notes, 'Beijing's attitude towards multilateralism evolved from passive response to active participation and even initiation; multilateral diplomacy has become an integral part of Chinese foreign policy. China's embrace of multilateralism is a natural outcome of its further integration into the international community … multilateral diplomacy helps reach China's foreign policy goals' (Wang 2005:159–90).

China's integration into the global arena and its active participation in multilateral organisations have assisted its foreign policy objective of being perceived as charming, peace-loving and less threatening to the international community. Hence, China has promoted and increased its sphere of influence. According to the Centre for Chinese Studies, China has committed itself to 267 international multilateral treaties (State Council Information Office of the People's Republic of China, 2005)

and in the past decade, Beijing has expanded its multilateral relations in East Asia. However, this rapid rise has made its neighbours suspicious that it might attempt to resort to its old imperial ways, which China pursued for hundreds of years in pre-modern history. These suspicions can be attributed to many historical factors. China is surrounded by many small and tough-minded neighbours with whom it has had territorial disputes since ancient times. However, during Mao's era, China did not have the economic and political leverage to deal with its neighbours and therefore had to pursue an ideology-based foreign policy towards them. Mao's foreign policy strategy of exporting Maoism and anti-government communist parties to South-East Asia made China a dangerous threat for the incumbent nationalist government leaders in the region. More importantly, China's territorial claim over the South China Sea led to disputes with Vietnam, the Philippines, Indonesia, Brunei and Malaysia. In North-East Asia, China faced long historical conflicts with Japan and the two Koreas. China still maintains that Japan was the foreign aggressor on Chinese soil and perpetrator of harsh crimes against the Chinese people. These are some long-term and complicated historical issues with its neighbours that Beijing has to face, and hence wielding its soft power in East Asia is very complex.

As China's East Asia neighbours became concerned about China's rise, Beijing extends itself by offering its 'smile" diplomacy to defuse any concerns about its rising power in the region. China is "persisting in building good neighborly relationships and partnerships …. We pursue a policy of bringing harmony, security, and prosperity to neighbors … and strengthening mutual trust' (Lai & Lu 2012:17). According to David Shambaugh, China's well-designed foreign strategy of wielding its soft power in South-East Asia is a great success (Shambaugh 2004: 64–99). However, to some degree the situation in the South China Sea and China's disputes with Japan have worsened in the last few years.

Starting in the 1990s, China began holding annual meetings with senior officials from the Association of South-East Asian Nations (ASEAN) countries. In 1997 China initiated the ASEAN +3 mechanism, which included ASEAN countries plus China, Japan and South Korea. Next came the ASEAN +1, which included annual meetings between ASEAN and China, usually headed by the Chinese premier. China also deepened its participation in the Asia-Pacific Economic Cooperation Forum, hosting its ninth leaders' meeting in Shanghai in 2001 (Ding 2008b: 206). In November 2002 China signed the Declaration on the Conduct of Parties in the South China Sea with ASEAN at the end of the sixth China-ASEAN Summit. The first East Asian Summit (EAS) in 2005 included countries like India, Australia and New Zealand but excluded the US. Japan's suggestion that the US be invited as an observer was rejected by China, suggesting that Beijing's soft power was a success on this issue. Other major formations were the Shanghai Cooperation

Organizations, the Six Party talks on North Korea's nuclear issues, the China-Arab Cooperation Forum, the Forum on China-Africa Cooperation (FOCAC), G22, G8 and more recently, BRICS – Brazil, Russia, India, China and South Africa – which is emerging as one of the largest multilateral forums.

In January 2010 China signed a free trade agreement with ASEAN, followed by ASEAN countries setting up a pool of foreign-exchange reserves and also allowing some kind of monetary policy coordination (*Economist* 2010).

During the 1997 Asian financial crisis, China demonstrated its soft power policies when President Jiang Zemin, at the Head of States Summit, promised that China would provide assistance to ASEAN countries affected by the crisis. Furthermore, China did not depreciate its currency – the renminbi – in the face of the widespread financial crisis, but in fact provided financial aid to many Asian countries. Such gestures were welcomed by East Asian countries that faced extreme economic difficulties. While major powers like Japan and the US were reluctant to provide any assistance to ASEAN countries, China was perceived by ASEAN countries as reacting generously and responsibly to their economic plight.

China's engagement in multilateralism allows it to influence and change the global balance of power. According to one analyst: 'As rules (or norms) are often epiphenomena of underlying interests multilateralism has come to represent an effective way for China to increase her power projection … while sidelining direct confrontation with superpowers thus maintaining a policy of anti-hegemonism in a new form' (Contessi 2008: 406).

The Chinese government and leaders have increased diplomatic activities. This is being done not only through traditional multilateral organisations and government forums; Beijing has also started to engage strategically by inviting NGOs, think tanks and civil societies to participate in conferences in China.

Noting the French initiative to convene an annual summit between France and African states (*Franceafrique*), China also created a forum for all African countries to engage in discussion on African development issues. The Forum for China-African Cooperation (FOCAC) is a multilateral forum that has been extremely successful in attracting African heads of state and facilitating ministerial meetings in Beijing or African locations. The latest meeting was held at Sharm el Sheikh in Egypt. In 2012, Chinese President Hu Jintao pledged to double Chinese aid to African countries.

Chinese participation in multilateral international institutions and decision-making processes has given it more prominence on the global stage. As one of the five permanent members of the UN Security Council, it is already in a key position to shape important decisions about peace and security matters; but its increasing involvement in other issues means that it starts to assume the function of a non-Western role model for the global South and new emerging markets in the form of

BRICS, the G77+China, the Non-Aligned Movement and others. China (together with Russia) is therefore positioned to assume a much more prominent global political role in countries like Syria, North Korea and Libya. This political leadership is developed as an additional attraction (or soft power) of China for smaller states.

CHINA'S 'GOOD NEIGHBOUR' POLICY AS SOFT POWER

The second component of Chinese soft power has been demonstrated by its international behaviour in managing disputes and maintaining a policy of being 'the good neighbour'. Soon after China began opening up to the outside world, Deng Xiaoping addressed the issues of territorial disputes that involved 'shelving the disputes over sovereignty and conducting joint development'. Thus far, China has attempted to negotiate with neighbouring countries like Russia, some Central Asian states and Vietnam to resolve the disputes. However, recently some of the disputes in the South China Sea re-emerged and therefore the matter is still unresolved.

China's good-neighbour policy is premised on its multilateralism and economic diplomacy in Asia. Multilateralism provides the institutional guarantee and thrust for a good-neighbour policy. This is achieved by stabilising the surrounding areas and dealing with territorial disputes in a peaceful manner. China has also embarked on settling disputes regarding the Xisha Islands and Nansha Islands with some South-East Asian states (Vietnam, the Philippines, Malaysia, Indonesia and Brunei). China signed the Declaration on the Conduct of Parties in the South China Sea in 2002 and the Treaty of Amity and Cooperation in South-East Asia in 2003 (Cho and Jeong 2008: 453–472).

China's good-neighbour policy was intended to create prosperity for the neighbouring states and to promote financial and economic stability in the surrounding region. By easing the concerns of the surrounding countries regarding China's rise, Beijing developed a policy of 'peaceful rise or peaceful development' and later modified it to the attainment of a 'harmonious world'. While China is developing political linkages within various continents (Asia, Africa and Latin America), it is her fast-growing economic strength that provides a fundamental foundation for her economic diplomacy (Zhao 2008: 9–10).

A good example of stabilising the surrounding areas is the establishment of the China-ASEAN Free Trade Area, which helps and encourages economic growth in the region. Furthermore, China's economic growth has had a ripple effect on surrounding countries that have benefited from China's prosperity. In Asia, China's high economic growth has produced a positive spill-over for ASEAN countries. China's export to ASEAN countries reached $64.6 billion in 2010, an increase of 45%, and imports from ASEAN countries were nearly $72 billion, up by 64%

during the first half of 2010 (*Xinhua News* 2010). Some trade experts have observed that "China tends to import more from its neighbouring economies than exporting to them" (Wong 2010). ASEAN countries have gone from being top of the anti-China club to China's partners in trade. The success of China's economic diplomacy is as a result of individual Asian countries becoming individually dependent on China's foreign trade and investment.

Historically the relationship between Japan and China has been hostile. In addition to its colonial history, Japan (together with South Korea) is considered an American ally in the East and therefore a political obstacle for China. However, since 2003 China accounted for 80 per cent of Japan's export growth (Ding 2008a: 204). 'Japan's trade with China exceeded its trade with all 10 ASEAN members and surpassed US-Japan trade levels in 2007. China became South Korea's number one customer, far surpassing the United States. Despite cross-strait political tensions, Taiwanese investors sent an estimated 70 percent of their foreign investments to China' (Frost, Przystup and Saunders 2008: 231).

China's partnership with the Asia-Pacific region has been accompanied by a full range of foreign policy agreements and the establishment of multilateral arrangements. A few examples of such agreements or arrangements are

> the Shanghai Co-operation Organizations that promote ties with Russia and Central Asia, the six party talks on the North Korean nuclear crises for north-east Asia and links (individually) and collectively with the Association of South–East Asian Nations – China has steadily forged better relations with most states in the region. That process has included the settlement, or at least the agreement on a framework to settle border demarcation disputes once considered intractable, with Vietnam, Russia and India among others (Burton, Mallet and McGregor: 2005).

However, the dispute over the South China Sea territories re-emerged in 2010, 2011 and 2012. Some observers have argued that China's assertive responses to maritime territorial claims by Vietnam and several other South-East Asian countries, and to Washington's proposal for an internationalised legal process on the disputes, are in sharp contrast to its earlier advocacy of putting disputes aside and building an amicable, secure and prosperous neighbourhood first (Thayer 2011: 94).

However, at the same time, neighbouring countries have also raised concerns about China's rise and its long-term dominance in the region. Commentators have noted that China's trade disputes (with developing and developed countries) and its economic strength could become a major source of conflict in the region (Lampton 2007: 120).

Beijing responded by adopting a less threatening slogan of building a 'harmonious world'. China is still refining its new diplomacy through a process of "crossing the

river by touching the stones" (Lai and Lu 2012: 41). It is still taking small steps in its new role as it continues to test the effectiveness of its harmonious diplomacy.

It is notable that the good-neighbour policy is based on China's multilateralism and economic diplomacy, which provide the impetus for building good institutional structures and good neighbourly relations. Economic diplomacy is an important instrument for stabilising and creating prosperity for China's neighbours. The success of the good-neighbour policy not only greatly improved China's relations with Asia-Pacific countries but also dramatically increased China's influence in the region. This success was not coincidental or incidental. In their article 'China's Rising Influence in Asia: implications for US policy' (2008), Frost, Orzystup and Saunders suggest that 'China's growing regional role reflects both an increase in underlying power resources (fuelled primarily by rapid economic growth) and improvement in Beijing's ability to translate power into influence via effective diplomacy' (Frost, Orzystup & Saunders 2008: 231).

However, Chinese soft power also exacerbates many other challenges in South-East Asia due to US policy in the region. During the past decade, and especially during the first Obama Administration, the US has shifted its foreign policy focus to the Asia-Pacific region. The Obama Administration was forced to adjust its policy toward South-East Asian states while at the same time implementing a softer approach towards the Muslim states, in contrast to the Bush Administration's hard line and anti-Muslim terrorist campaign. As a result of China's prominent role in Asia, the US began to gear itself to play an even greater role in order to counter China's growing influence in the region. During the 17th ASEAN Regional Forum (ARF) in Vietnam in July 2010, the US Secretary of State Hilary Clinton proposed the establishment of a multilateral institution (including the US) to assist with sovereign disputes with China and provide the US with countervailing influence over China's dominance in Asia (Lai & Lu 2012: 34).

CHINA'S DEVELOPMENT MODEL AND ECONOMIC DIPLOMACY AS SOFT POWER

The third element of Chinese soft power is its development model, commonly known as the Beijing Consensus. The term "Beijing Consensus" was first used by Joshua Cooper Ramo in 2004; it "essentially means a more equitable paradigm of development featuring self-determination in governance plus market economy rather than the Washington Consensus of market economics with democratic governance" (Ramo 2004: 11–13).

Although it focuses on political stability, economic development and improvement of people's livelihoods, many scholars and economists are still uncertain what the

Beijing Consensus really implies. This model is extremely appealing and attractive to developing countries and is therefore a classic form of soft power. These countries look at how China has managed to take 200 million people out of poverty within a ten-year period and how it was able to withstand the 1997 Asian financial crisis and still sustain a growth rate of 6–7 per cent during the 2008/2009 financial meltdown. China's soft power initiative includes "concepts such as peaceful development and a harmonious world to try to convince other countries that China's rise as a major global power would have a benign impact internationally" (Ding 2008b: 23–38). On the other hand, the "Beijing Consensus and the China model … may be considered to be an ideological challenge to the Western model based on democracy and free market" (Lai & Lu 2012: 35).

In the 1990s many African countries adopted the Washington Consensus as part of the World Bank and IMF's notion of economic structural adjustment programmes, which entailed opening markets, creating macro-economic stability, trade liberalisation and more privatisation. (These adjustments were also linked to the conditionality of political democratisation, such as multiparty elections and compliance with the requirements of good governance). Unfortunately these reforms have not improved the lives of most Africans, and in fact many have become disillusioned with the Western model of development.

With respect to the Chinese model, it can be generally concluded that it is very much part of China's soft power, which is attractive to other developing countries both because of its less prescriptive economic plan and also the absence of political conditionalities. The fact that the Beijing Consensus does not present a prescriptive normative framework for development (such as a required symbiosis between development and democracy) makes it arguably more attractive for a wider range of regimes. However, it does not provide a solution for its most serious weakness, namely that it shares with the "developmental state" model of the Pacific Rim states the characteristic that their high growth rates and development happened under undemocratic one-party conditions. Whether the undemocratic feature is a prerequisite for the success of the Chinese development model is debatable, but is certainly a contentious matter.

Joshua Kurlantzik (2007: 82) presents ample evidence to show how China uses trade incentives, cultural and educational exchange opportunities and other techniques to "woo" developing countries. In his book he concludes: "Washington can more systematically set clear limits … and establish where it believes China's soft power possibly threatens American interest". He further argues that this charm offensive, utilising soft power, has forced the US into a situation in which another country's appeal outstrips its own and China's soft power has enabled her to force countries to make a choice between Washington and Beijing (Kurlantzick 2007: 90).

Some regard China's development model as "economic-driven amoral pragmatism" (Liu 2006: 30). In fact, compared to China's diplomacy in the 1980s and 1990s which mainly focused on domestic diplomacy, China's new "harmonious" approach is less self-serving but incorporates the concept of joint security and common development. It is fair to assume that China's policy serves its own interests first, whilst also attempting to serve others. Although China's domestic economic growth is the main priority, the economy is not the single dominator of China's harmony-orientated diplomacy. In a briefing, Chinese Foreign Minister Yang Jiechi said: "China's foreign policy is comprehensive and systematic, consisting of multiple threads and priorities, including stable and rapid domestic economic development, protecting China's sovereignty, territorial integrity, and security; protecting the legitimate rights and benefits of Chinese people and enterprises overseas; and engaging in the proper solution for global and regional critical issues" (Jiechi 2009).

Some critics argue that to meet its economic needs, China has struck energy deals with autocratic states that do not respect international law, human rights and nuclear non-proliferation. They claim that if China continues to offer "rogue aid" and its developmental model to these states, it will encourage a world that is more corrupt, chaotic and authoritarian. In addition, China puts no political conditions on trade relations and economic aid to these countries, making these deals even more appealing. China argues that it respects the sovereign rights of each country and pursues a policy of non-interference in other countries' internal affairs, and its view of a multipolar world includes diversity, equality and mutual respect (Alden 2007: 33).

However, there are also many development challenges for China. The country's fast- growing gross domestic product is characterised by high investment and relatively low consumption. The rapid and intensive economic development growth has caused massive environmental problems that might have a serious impact on climate change in China. Furthermore, the vast disparity between the very wealthy and the poor has created social discontent and destroyed the social cohesion of society. Finally, China's economic reforms are far ahead of its political reforms – and this could result in eventual disintegration (Lai & Lu 2012: 55).

CONCLUSION

This article examined China's use of soft power in international relations. It also briefly looked at the US's use of hard power in the form of unilateralism and militarism in dealing with international relations. It examined at how China's foreign policy and international behaviour are characterised by multilateralism, economic diplomacy and a good-neighbour policy.

Since the 1990s, China has achieved impressive gains in terms of soft power resources and the ability to convert the resources into desired foreign policy outcomes. Compared to the former Soviet Union, China has been more successful in developing hard and soft power in tandem. In the words of Schriver (2005: 55), "soft power helps Beijing redraw geopolitical alliances in ways that will propel its rise as a global power".

China's friendly overtures to Asian, African and Latin American countries, and its move towards embracing multilateralism as a means of soft power to achieve its foreign policy objectives, show a significant departure from its historical preference for unilateralism and secret diplomacy. China is achieving its foreign policy goals in the region and transforming its neighbourhood into the desired harmonious world. The fact that many East Asian countries consult Beijing in their crucial decision-making and obtain guidance regarding international issues is an indication that China has become a regional hegemon.

China's principle of harmonious diplomacy has proved to be effective. However, China is also faced with difficult issues, such as sovereignty and old historical territorial disputes. Good examples are the US arms sales to Taiwan; foreign interventions in what China considers to be a domestic issue like Tibet; the longstanding historical tension with Japan over a disputed maritime territory – Senkaku Islands (the Japanese name) or Diaovu (the Chinese name); and in the East China Sea, with 11 countries involved in the disputes over maritime territories. The question is: how will China apply harmonious diplomacy to mediate these situations?

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