THE 'NEW DIPLOMACY' OF THE PEOPLE'S REPUBLIC OF CHINA: 2000-2005

by

DOAN THANH SONG

Submitted in partial fulfilment of the requirements for

the degree

MASTER OF DIPLOMATIC STUDIES

in the

DEPARTMENT OF POLITICAL SCIENCES

FACULTY OF HUMANITIES

UNIVERSITY OF PRETORIA

PRETORIA FEBRUARY 2007

ACKNOWLEDGEMENTS

Many people have given their precious time, ideas and generous support to this mini-dissertation. My sincerest thanks to my supervisor, professor Anton du Plessis, who made invaluable inputs without which this study would not have been possible. I also want to express my gratitude to other teaching staff of the University of Pretoria, especially professors Maxi Schoeman and Marie Muller, for their excellent lectures that deepened my knowledge and understanding of diplomacy. Finally, I am indebted to all my friends and colleagues whose amity and encouragement made my stay in South Africa very memorable.

TABLE OF CONTENTS

SUMMARY

The ‘new diplomacy’ of the People’s Republic of China: 2000-2005

by

Doan Thanh Song

Study leader: Prof. A du Plessis

Department: Political Sciences

Degree: Master of Diplomatic Studies

The aim of this study is to analyse the diplomatic style of China, manifested in its ‘new diplomacy’, and to differentiate it from Western-centric diplomacy. It addresses the question: What are the foundations, nature and scope of the 'new' in the Chinese diplomatic style and how does this (the ‘new’) manifest in the use of ‘new diplomacy’ as an instrument of China’s foreign policy? Accordingly the study analyses the characteristics of contemporary Chinese diplomacy and uses selected case studies to illustrate the manifestations of this ‘new’ diplomatic style. The analysis is based on the proposition that although China’s ‘new diplomacy’ reflects a past legacy and certain Western features, its diplomatic style nevertheless has a distinct oriental nature that influences the country’s use of diplomacy as a foreign policy instrument.

The study originates from the fact that China (i.e. the People's Republic of China – PRC) has always been an important country. It has long been the world's most populous nation, with vast economic potential that is now being realised. It is also one of the world's oldest and most influential civilizations. Accordingly, China's international influence is increasing and it may well challenge United States leadership in world politics. Conversely, China features prominently in both the regional and global economic and strategic landscape.

Concerning the foreign context of China’s ‘new diplomacy’, attention focussed on the geopolitical-historical, the ideological, the foreign policy, the regional and the perceptual dimensions thereof. Since its inception the PRC has experienced three

main phases of development; each closely associated with foreign policy and a distinctive style of diplomacy. The first 'closed door' phase was characterised by limited foreign interaction typical of a 'new state'. The second 'open door' stage was brought about by the emerging trends and transformations linked to greater interdependence and the end of the Cold War. The third 'enlargement' stage involves expansion in an era of globalisation, also considering the need for and demands of China's domestic development, growth and transformation.

Although the generic features of China's diplomacy are rooted in the nature of diplomacy and not unique, its diplomacy has certain oriental characteristics and a distinctive style. The characteristics thereof have imbued Chinese diplomacy with a measure of distinctiveness. These include the emphasis of independence in decision-making along with an active engagement in international affairs; the dialectical application of 'principles-ness and flexibility' and of 'cooperation and struggle'; a flexible adaptation to changing situations; a flexible application of inaction; and new negotiating style. These characteristics are strengthened by diplomatic strategies, namely the emphasis of partnership, friendly gestures, peaceful development, economic diplomacy, multilateral diplomacy, the moral high ground and specific diplomatic tactics. The selected case studies on China's oil diplomacy, on Taiwan, on the war in Iraq, and on support for UN multilateralism provide an indication of how the characteristics and strategies of China's 'new diplomacy' manifest in practice.

In conclusion, it was found that although China's 'new diplomacy' reflects a past legacy and certain Western-centric features, its diplomatic style nevertheless has a distinct oriental nature that permeates and influences the country's use of diplomacy as a foreign policy instrument. The recognition of this provides both the scholar and practitioner the ability to identify continuity in Chinese foreign policy and to anticipate trends and transformations in the diplomatic practices and behaviour of Chinese diplomatic representatives. The analysis of diplomacy as a foreign policy's instrument, in China's case in particular, undoubtedly enriches diplomatic theory. As such it is a relevant field of study that deserves more scholarly attention.

KEY CONCEPTS

China's 'new diplomacy'

diplomacy

diplomatic style

diplomatic strategies

economic diplomacy

foreign policy

negotiation

oil diplomacy

partnership

People's Republic of China

CHAPTER 1

INTRODUCTION

1.1 GENERAL INTRODUCTION AND RESEARCH THEME

For various reasons, China[1] (i.e. the People's Republic of China – PRC) has always been an important country. It has long been the world's most populous nation, with vast economic potential that is now finally being realised. It is also one of the world's oldest and most influential civilizations. At present, and mostly due to its rapid development, the PRC is on a course to become the world's largest single economy of the 21st century. Accordingly, China's international influence is steadily increasing and it may well become the next superpower or at least a major challenger of United States (US) hegemony and leadership in world politics. Conversely, China features prominently in both the global economy and the global strategic landscape. As a result, any domestic social or political turmoil in the country may impact on an have serious ramifications throughout the world. More specifically, whatever the PRC's fate, most international actors will inevitably feel the impact of its external orientation and behaviour at both the regional and the global level.

Having previously occupied a relatively peripheral position in the international system, China re-entered world politics in the 1970s, through what became known as its 'open door' policy. As a result of this foreign (and domestic) policy shift, also taking into consideration the changing post-Cold War landscape and China's recent economic growth and political maturation, the PRC's diplomacy has undergone significant changes over the last decade. It has shifted from 'old' revolutionary diplomacy to what is referred to as its 'new diplomacy'. It is this so-called 'new diplomacy' of the PRC that is the focus of this study.

1.2 AIM AND RELEVANCE OF THE STUDY

Due to the length restrictions, this analysis is limited to selected macro-dimensions of the so-called 'new diplomacy' of the PRC. However, although it finds expression in

[1] For the purposes of this study, unless otherwise indicated or implied (e.g. in an historical context), the terms China (and Chinese) are used with reference to the People's Republic of China (PRC).

the context of a fast-changing world, the PRC's contemporary diplomacy is rooted in China's political history and philosophy. Against this background the aim of this study is to analyse and evaluate the diplomatic style of China, as manifested in its 'new diplomacy', and to indicate how and to what extent it differs from conventional Western-centric diplomacy.

The research theme of China's 'new diplomacy' is relevant at both a theoretical and a practical level. At a theoretical level, by focusing on the philosophical roots, nature, and style of oriental diplomacy, a non-Western insight is added to existing diplomatic ideas and theory – a field of study that has traditionally focused on and has mainly been influenced by Western-centric diplomatic schools of thought, theories and styles. The fact that Asia, more specifically China, has more than 4 000 years of diplomatic history with indigenous diplomatic ideas and practices that have not yet been fully considered or valued as a distinct school of diplomacy in contemporary diplomatic studies, is often overlooked. Hence, this study adds an oriental perspective to the field of diplomatic studies.

At a practical level, the study is relevant to the extent that an analysis of China's 'new diplomacy' provides, firstly, an understanding of the philosophical roots, nature and style of Chinese diplomacy, and therefore an indication of the diplomatic behaviour that can be expected from China. Secondly, the analysis provides an understanding of the implementation, through diplomatic means, of China's present foreign policy on four key issues namely oil diplomacy, the Iraq War, the dispute about the 'two Chinas' or Taiwan, and United Nations (UN) multilateralism.

1.3 LITERATURE OVERVIEW

The literature and data sources consulted in this study cover two areas:

(a) Literature on diplomacy: Definitive works such as Berridge, Soper, and Otte's *Diplomatic theory from Machiavelli to Kissinger* (2001); Berridge's *Diplomacy: Theory and practice* (1995); Nicolson's *Diplomacy* (1969); and Kissinger's *Diplomacy* (1994) were consulted to define and provide meaning to the concepts diplomacy and diplomatic style. Consideration was also given to Barston's *Modern diplomacy* (1997) that explains diplomatic styles and diplomatic methods, and that identifies the factors that determine and influence these styles and methods. Since it is necessary to

differentiate and indicate the relationship between diplomacy, foreign policy and international relations, general works covering this nexus were used, such as Baylis and Smith's *The globalization of world politics: An introduction to international relations* (2005); Weber and Smith's *Foreign policy in a transformed world* (2002); and Watson's *The dialogue between states* (1982).

As a basis for analysing China as a case study, the analysis drew on Yin's *Case study research: Design and methods* (1994) and on Yin's *Applications of case study research* (1993). Both works contain an exposition of frameworks for case study research, including those known as exploratory, descriptive, and explanatory case studies. Since composite elements of all three are relevant to this study on China, a synthesised case study approach is used.

(b) Literature and data sources on China: For the most, the diplomacy of the PRC is not covered by literature on 'diplomacy' as such, but rather by literature on China's foreign policy. In this respect, use was made of primary and secondary sources on Chinese foreign policy, with specific reference to the use of diplomacy as a political (and propaganda) instrument of foreign policy. The primary sources of a documentary nature, namely foreign policy documentation, briefings, policy papers and reports, and speeches and declarations by Chinese political leaders, government ministers and foreign policy officials, were mostly obtained from internet websites (including, amongst others, that of the PRC's Ministry of Foreign Affairs) and through official Chinese channels (i.e. diplomatic missions and information offices). Documentation and reports from the websites of various Asian and Chinese press and electronic media institutions, as well as those of non-governmental organisations (NGOs), were also used.

The secondary sources relate mostly to the foreign policy of the PRC, but with the inclusion of sources that specifically refer to Chinese diplomacy. These include, amongst others, books such as Robinson & Shambaugh's *Chinese foreign policy: Theory and practice* (1994); Roy's *China's foreign relations* (1998); and Wang Jisi's *The rise of China and a changing East Asian order* (2004). For comparative purposes and to indicate the historical context of foreign policy change, use was made of Yin's *Red China's foreign policy at the present stage* (1985) and Kornberg & Faust's *China in world politics* (1995). In addition, various articles in scientific journals, pertaining to

contemporary Chinese foreign policy and diplomatic initiatives, as well as aggregate data sources, were utilised. The latter includes publications such as the *Asia Times*, *The Economist* and yearbooks that provide background information, statistical data, and general information on China's international relations and foreign policy.

1.4 FORMULATION AND DEMARCATION OF THE RESEARCH PROBLEM

As indicated by the title, the aim of this study is to analyse the 'new diplomacy' of the PRC in the post-millennium context. Underlying this topic, the basic research question is: What are the foundations, nature and scope of the 'new' in the Chinese diplomatic style and how does this (the 'new') manifest in the use of 'new diplomacy' as an instrument of China's foreign policy? In order to answer the main research question the study, firstly, analyses the characteristics of contemporary Chinese diplomacy with reference to both past and Western-centric notions of diplomacy; and, secondly, considers selected case studies in order to illustrate the practical manifestations and implications of this 'new' diplomatic style. This analysis is based on the explanatory proposition that although China's 'new diplomacy' reflects a past legacy and certain Western-centric features, its diplomatic style nevertheless has a distinct oriental nature that permeates and influences the country's use of diplomacy as a foreign policy instrument.

It is contended that these 'new' characteristics of Chinese diplomacy are the product of a combination of three factors, namely China's diplomatic power (or 'currency'), the philosophical origins of Chinese diplomacy, and China's diplomatic style in action. Therefore, the main research question is subdivided into the following three subsidiary questions: What is the foundation of China's diplomatic power (or 'diplomatic currency')? What are the oriental roots of Chinese diplomacy? How do the 'new diplomacy' and corresponding diplomatic style of China, based on its 'diplomatic currency', manifest in practice?

In order to answer the first sub-question China's diplomacy will be related to its foreign policy context and capabilities, based on the proposition that in a globalising world, China draws on an increased power base involving both 'soft and hard power'. In order to answer the second sub-question the diplomatic ideas and normative dispositions underpinning Chinese diplomacy will be analysed, based on the

proposition that Chinese diplomacy draws strongly on its oriental predisposition. In order to answer the third sub-question an analysis will be made of China's diplomatic (and negotiation) behaviour and use of its 'diplomatic currency', based on the proposition that China's 'new diplomacy' and corresponding diplomatic style reflect in and influence the outcomes of particular policy issues.

The study is demarcated in terms of concepts, geography, and time. The conceptual demarcation relates to diplomacy, diplomatic style, and selected Western (occidental) and non-Western (oriental) diplomatic ideas and practices. The geographic demarcation is based on the PRC as a political entity, in its regional and global context, with specific reference to four selected foreign policy issues namely oil diplomacy, the war in Iraq, the Taiwan issue and UN multilateralism. The time demarcation is from 2000 to 2005, but attention is also given to the historical context of China's foreign policy and diplomacy, with specific reference to its post-1945 revolutionary diplomacy and the emergence of its post-1970s 'open door' policy.

1.5 METHODOLOGY

The methodological approach to the study emerges from the security, political and economic context of China's foreign policy and diplomacy and is therefore predominantly embedded in the state-centric focus of political realism as it pertains to contemporary world politics. Where relevant, ideological influences relating to Marxism-Leninism in the Chinese variant of Maoism, will also be considered. However, in a changing world order, the influence of other approaches critical of the realist approach – with the inclusion of, as indicated, the revolutionary legacy of Maoist structuralism on the PRC's diplomacy – are also taken into consideration. However, the study as such, is not embedded in or undertaken in accordance with these perspectives.

Apart from the generic features of diplomacy, the conceptual framework specifically covers oriental diplomatic ideas (as an example of first order theory, that is a reflection on diplomatic practice) and diplomatic theories (as an example of second order theory, that is a theoretical description and explanation of diplomacy as a foreign policy instrument). Based on the conceptual framework pertaining to diplomacy, diplomatic style and the PRC's 'new diplomacy', the study is executed in

descriptive-analytical manner with reference to theoretical literature and case study data. The factual information is dealt with in an inductive manner. The PRC constitutes a single case, incorporating a limited comparison by juxtaposing the 'old' and 'new' diplomacy of the PRC. In this respect, the emphasis is on four particular secondary case studies that are representative and illustrative of China's 'new diplomacy' in practice. The level of analysis is predominantly state-centric, although regional and other global factors are considered where applicable.

1.6 STRUCTURE OF THE RESEARCH

The study is structured in a conventional way, being divided into a theoretical framework, a main body, and a concluding evaluation.

Chapter one is of a methodological nature and provides an identification and formulation of the research theme and problem. It also delineates the conceptual, geographical and temporal parameters of the study, indicates the methodology used, and provides an outline of the structure of the research.

Chapter two is a theoretical chapter that introduces diplomatic ideas and theories as conceptualised, amongst others, from an oriental (non-Western) point of view. It covers, firstly, the concepts diplomacy and diplomatic style; secondly, the instrumental use of diplomacy as a foreign policy technique; thirdly, the philosophical roots of oriental diplomacy, based on the principles and ideas that underpin China's 'new diplomacy'; and finally, the clarification of specific concepts and notions that characterise this oriental diplomatic style.

Chapter three comprises a base-line construction of the present situation, with reference to an historical overview of China's foreign policy and the internal and external dimensions thereof, as a context for the contemporary use of diplomacy. The historical overview provides an account of the transition of China's foreign policy and diplomacy from a revolutionary to an 'open door' policy. The internal dimensions cover, firstly, the domestic sources of Chinese foreign policy; and, secondly, the political and economic developments, trends and transformations of the past two decades (the reform and transition process to 2005) that impact on the diplomatic field. The external dimensions outline current trends in world politics, in particular

globalisation and Asianisation. Collectively, the aforesaid serves as the historical and foreign policy context for the instrumental use of China's 'new diplomacy'.

Chapter four analyses and classifies China's current diplomatic style and strategies and compares the basic features and underlying assumptions thereof to its former or 'old' diplomatic style and strategies. The aim is to indicate the extent to which there is a more benevolent and less conflicting style of diplomacy and, if indeed the case, based on what evidence.

Chapter five focuses on China's diplomatic practice, that is on selected foreign policy issues that illustrate the use of this 'new diplomacy'. The emphasis is on the PRC's diplomatic response to and the impact of this response on its foreign policy problems and behaviour. More specifically, an indication is given of the extent to which the diplomatic methods (or modes) used by the PRC in dealing with these issues correlate with its 'new diplomacy' and diplomatic style, or are reflected by these foreign policy issues.

Chapter six is an evaluation that summarises the key findings; that responds to the research question(s) posed at the outset; that assesses and critiques the utility of China's 'new diplomacy'; and that culminates in a final conclusion.

Based on and within the context of the aforesaid outline, a conceptual framework of diplomacy and diplomatic style, incorporating both occidental and oriental diplomatic ideas, is subsequently presented.

CHAPTER 2

DIPLOMACY AND DIPLOMATIC STYLE:

SELECT THEORETICAL PERSPECTIVES

2.1 INTRODUCTION

"(*T)here exist certain standards of negotiation [diplomacy], which might be regarded as permanent and universal. Apart from these standards, which should be common to all diplomacy, there are marked differences in the theory and practice of the several Great Powers [civilizations]*". (Nicolson 1969:68).

Diplomacy plays an increasingly important role in the world today, and diplomatic activities have an effect, directly or indirectly, on nearly all aspects of human existence. No nation or international organisation can exist or develop without entering into and conducting diplomatic activities. The diplomatic styles of the East and the West[2] differ in many respects, as has been the case for millennia, and there is no common, comprehensive understanding of diplomacy that encompasses the diplomatic styles of both the East and the West. The various notions of diplomacy and the relevant functions, objectives, agents, methods, styles and schools of (Western) diplomacy have been defined and described to a point of near exhaustion by various Western theorists and diplomats. In contrast, it appears, not as many definitions and conceptualisations of diplomacy have been introduced from the East.

The oriental civilizations have a longer history and are just as advanced as their occidental counterparts. Their diplomacy has an own style, is based to some extent on indigenous ideas and characteristics, and involves a distinct manner of conducting diplomatic activities that reflect the general thinking and orientation of oriental people. Therefore, although influenced by Western diplomacy, oriental diplomacy came into being through an oriental historical tradition; is embedded in the characteristics of

[2] The terms East and West (also Eastern and Western) are used in the traditional International Relations context, denoting a combination of geographical and ideological differences. Alternatively, and more specifically to denote cultural-philosophical differences, the terms oriental and occidental are used.

oriental cultures, civilizations and peoples; and has always been affected by local geostrategic considerations and positions.

The following conceptual framework covers the oriental diplomatic ideas (as an example of first order theory) and diplomatic theories (as an example of second order theory). It hinges on specific principles of realist theories such as national interests, *raison d'etat*, and balance of power; and ideas on how to conduct diplomacy in practice. However, based on certain core concepts and assumptions, the objective is to indicate the scope, assumptions, and characteristics of oriental diplomacy that have been introduced into dominant Western-centric conceptualisations.

2.2 THE NATURE AND SCOPE OF DIPLOMACY

Similar to most political concepts and despite its familiarity, the concept of diplomacy suffers from ambiguity and a lack of definitional clarity. Various definitions exist, differing in scope and focus.

According to Satow (1979:3) "(d)iplomacy is the management of international relations by negotiations; the method by which these relations are adjusted and managed by ambassadors and envoys; the business or art or skill of the diplomatist; or address in the conduct of international intercourse and negotiations". Along similar lines, Berridge (1995:1) defines diplomacy as the conduct of international relations by negotiation rather than force, propaganda, or recourse to law, and by other means designed to promote negotiation. In a broader context, Nicolson (1954:43) indicates that "the aim of sound diplomacy … is the maintenance of amicable relations between sovereign states. Once diplomacy is employed to provoke international animosity, it ceases to be diplomacy and becomes its opposite, namely war by another name".

Kissinger (1957(b):326) views diplomacy as "the conduct of relations between states short of war." This, however, does not mean that diplomacy is completely divorced from matters military. Indeed, as a historian, Kissinger (1957(b):327) argues that in the course of history the political influence of nations has always roughly correlated with their military power. The global balance of power therefore not only reflects the relative capabilities or might of the major powers, but also circumscribes the

manoeuvrability of their diplomacy. Diplomacy and military strategy, he argues, should therefore support each other. To the extent that diplomacy is, to a degree, dependent upon military power for its influence, it can also utilise military means to serve its objectives (Kissinger 1957(b):326).

The oriental notions of 'comprehensive national strength' and 'a rich people and strong military force ensure domestic stability and peace with foreign countries' (Tran Quoc Tuan 1955:66) reflect the dialectic relationship between diplomatic and military means in a similar manner. Apart from the aforesaid, according to the oriental point of view, diplomacy is also defined as the art of identifying or indicating 'what is right and what is wrong' in the conduct of sovereign states. Diplomacy therefore also performs the task of 'healing or fixing flaws' in the relationship among states, in order to promote their mutual relationship to a higher level (Jiaxuan 2005).

In its most general sense and in the context of global politics, diplomacy therefore represents a pacific approach to the management of international relations in pursuit of order and justice. It also represents a way of acting and accomplishing tasks in the international arena with a civilising effect on the general conduct of states and other international actors. In the context of international interactions, diplomacy invariably refers to a dialogue or communication process between international actors. In this respect emphasis is placed on diplomacy as a process of negotiation, thus as means of maintaining contact between and managing the conduct of international actors, mostly although not exclusively in conflict situations. From these definitions it is evident that negotiation constitutes a core meaning of diplomacy, in fact representing a master process of international relations. Against this background, consideration is given to the use, functions and modes of diplomacy (Berridge, Keens-Soper & Otte 2001:1).

2.2.1 Diplomacy as a foreign policy instrument

Nicolson (1946:164) insists that the dividing line between foreign policy and diplomacy ought not to be blurred. An analytical distinction is therefore made between, on the one hand, foreign policy as the substance of a state's relations with other nations and agencies and the purposes it hopes to achieve by these relations and, on the other hand, diplomacy as the process of dialogue and negotiation by

which states conduct their relations. In this respect Weber and Smith (2002:9-10) define foreign policy as being "composed of the goals sought, values set, decision made and actions taken by states, and national governments acting on their behalf, in the context of the external relations of national societies" Therefore, foreign policy constitutes the attempt to design, manage and control the foreign relations of national societies. Consequently, the term diplomacy should not be used as a synonym for the foreign policy of a state, although this usage is frequent and often sanctioned by custom. Rather, diplomacy should be seen as an instrument of foreign policy.

States, being aware that their domestic policies are affected by 'everything that happens' beyond their international boundaries, are not content merely to observe one another at a distance. In order to implement their foreign policies, states and governments are aware of the need to enter into a dialogue with one another. This dialogue between independent states – including the machinery by which their governments conduct it, and the networks of obligations, contracts, institutions and codes of conduct that develop out of it – is the substance of diplomacy. Therefore, the essential condition of diplomacy is plurality. In short, if foreign policy is based on the purposes of a state, diplomacy is the means to attain these purposes. Therefore, the theory and practice of diplomacy are obviously different from the theory and practice of foreign policy, although a close relationship exists between diplomacy and foreign policy. Both are aimed at adjusting national to international interests, with the former pertaining more to means and the latter more to ends (Nicolson 1946:163).

Diplomacy is obviously not only instrumental in foreign policy implementation, but it also influences or plays a role in foreign policy making. Although a subordinate purpose, diplomacy as an institution not only provides information needed for the making of an informed foreign policy decision, but also forms part of the foreign policy bureaucracy within which foreign policy is formulated (White 2005:396).

Therefore, in the context of foreign policy, and as a means toward an end, diplomacy is the master instrument of the foreign policy process (Du Plessis 2006:123-125). Primarily this involves the use of diplomacy as a political instrument to implement foreign policy, namely to maximise the national interest of states and to pursue

foreign policy goals and objectives. As such it is regarded as the most direct, traditional, conventional and peaceful instrument of foreign policy. As a correlate of its instrumental use, diplomacy in the foreign policy context is also associated with the administrative branch of government, more specifically with the bureaucratic framework and officials responsible for implementing foreign policy. This involves diplomacy as a profession, the diplomatic corps as agents of diplomacy, the diplomatic service as an institution of diplomacy, and the ministry or department of foreign affairs or state as an administrative component of foreign policy.

2.2.2 The functions of diplomacy

The nature and scope of diplomacy come into being *via* diplomatic practice and activities, more specifically through the functions of diplomacy. Generally speaking, from both Western and Eastern points of view, the main functions of diplomacy can be reduced to six broad areas (within which there are a number of subdivisions), namely representation, serving as a listening post, shaping foreign policy, conciliation, managing order or changes, and drafting international rules and law.

The first and most important of these functions is representation. In general terms, representation of a country by its diplomats is defined by Nicolson (1954: 76-7) as "(t)he business of the diplomat … to represent his own government in a foreign country". Representation includes formal representation, involving the presentation of credentials, protocol, and participation in the diplomatic circuit of the national capital or institution, and arguably its most important aspect, namely substantive representation. The latter includes the explanation and justification of domestic and foreign policy through embassies and other official outlets; negotiations; and the interpretation of the foreign and domestic policies of the receiving government. In this context, negotiation is used to explore and reconcile conflicting positions in order to reach an acceptable outcome (Barston 1998:75).

Secondly, and in conjunction with substantive representation, the function of diplomacy – more specifically of the foreign mission – is to act as a listening post and to communicate or report on what is observed and heard. An embassy (or envoy, diplomat, etc.), if it is to function effectively, is tasked with the identification of key

issues, domestic trends and external patterns of behaviour that are emerging in the receiving state, and with an assessment of their impact and implications, in order to inform, advise or warn the sending state and government. In this respect, Trevelyan (in Watson 1982:11) notes that, “apart from negotiating, the ambassador”s basic task is to report on the political, economical, and social conditions in the country in which he is living.” History provides ample examples of conflict, duplicity, and reversals of policy, and contemporary news reports provide new examples every day, that have to be reported upon.

Diplomacy is intimately concerned with these issues. In this context, as an extension of serving as a listening post, it provides an organised mechanism for and develops a pattern of communication that enables a government to determine what other governments desire and what they object to. In a developed international society, diplomacy thus becomes more than a mere instrument of communication, but also an activity that affects the practitioners. For example, where a conflict of interests exists, diplomacy has a bias towards its resolution even if it is an activity that is often abused. On the one hand, conflicts of interest are a major focus of diplomacy. On the other hand, diplomacy can function effectively only when the necessary level of understanding is created between the parties concerned to bridge or deal with these conflicts of interest (Watson 1982:11-12). Communication is therefore essential to both the understanding and the resolution of a conflict of interests.

The function of diplomacy as a listening post obviously involves information and intelligence gathering. Without intelligence, prudence is impossible, and in the absence of prudence men habitually come to rely on force. In this respect, consideration can be given to Callieres’ (1717:204) conception of prudence that comprises three ‘principle functions’, namely the “combination of knowledge, foresight and dexterous action”. The acquisition of information requires technical competence, mental energy and a reliable understanding of men and events. Hence information gathering is essential to the well-being of a state and often deserving of recognition as a separate diplomatic task. As with confidence, moderation, and dignified behaviour, intelligence is important because it is usually in scarce supply. States have no authority to demand information from their opposites and consequently have to rely on the competence of their diplomatic agents to acquire it.

Thirdly, diplomacy lays the groundwork or prepares the basis for existing or new policy initiatives. As such diplomacy, in the form of policy advice, is concerned with the making and shaping of foreign policy. The diplomat must submit advice on policy to his own government. This includes the responsibility to anticipate future developments that may require a policy adjustment or new policy initiatives (Berridge 1995:4).

In the fourth place, in the event of potential or actual bilateral or multilateral conflict, diplomacy involves conciliation and is therefore concerned with reducing friction or 'oiling the wheels' of bilateral or multilateral relations. For the most, the parties to a conflict contact each other directly to deal with or negotiate a settlement to disputes, but often the need for a mediator arises. Mediation is particularly necessary in the event of extremely bitter disputes, especially those in which the parties have been engaged for long periods and are locked into public postures that appear to make compromise impossible without a major loss of face. Mediation is also appropriate where the parties have a most profound distrust of each other's intentions, where cultural differences present an additional barrier to communication, and where at least one of the parties refuses to recognise the other (Berridge 1995:7).

As a means to reduce conflict, diplomacy is defined as "the conduct of international relations by means short of war" (Berridge 1995:1) and "as the art of relating states to each other by agreement rather than by the exercise of force" (Satow 1979:3). This function is dependent on accepting and practicing self-restraint. More specifically, diplomacy becomes "the art of restraining the exercise of power" (Kissinger 1957(a):279). Therefore, in this respect and as a key element of modern world politics, diplomacy is complementary to the principle of 'legitimacy' and the mechanism of the equilibrium. It functions best within a legitimate world order, when each country accepts the legitimacy of the existence of the other.

Nonetheless, in using diplomacy to reduce conflict, various theorists argue that concessions should be made only from positions of strength, not weakness. However, when a state is confronted by overwhelming force, it should recognise necessity and make concessions. Machiavelli (1970:313), for example, envisaged

three such circumstances: Firstly, when the enemy is a powerful confederation; secondly, when non-compliance with enemy demands threaten state survival; and thirdly, when a much stronger enemy himself offers peace negotiations in the course of a war already underway.

In the fifth place, the aforesaid function of conciliation through mediation is enhanced by the contribution diplomacy makes to order and orderly change. As Watson (1982) suggests, “the central task of diplomacy is not just the management of order, but the management of change, and the maintenance by continued persuasion of order in the midst of change.” If the diplomatic dialogue is to succeed in respect of this function, both diplomacy and the diplomatic agents (statespersons, officials and representatives) who conduct it must be flexible, susceptible for compromises and willing to make constant adjustments.

In this respect the concept of balance comes into play. Kissinger (1957(a):318), amongst others, observed that the most efficacious means of maintaining international stability is a functioning ‘balance of power’. For this reason he praised the wisdom of Castlereagh and Metternich in seeking “stability, not perfection, and the balance of power is safe without physical safeguards against aggression” (Kissinger 1957(a):317-318). Therefore, in response to the multiple, constantly shifting pressures that characterise contemporary world politics, pressures that no rigidity, dogma, institution or canon of law can contain for long, the maintenance of an adequate balance through continual adjustment is required – a balance that only diplomacy can provide and sustain.

Finally, at a more general level, an important function of diplomacy is to create, draft, and amend the body of international rules of a normative and regulatory kind (i.e. morality and international law) that provides structure to and regulates the international system (Berridge 1995:60).

More specifically, apart from the aforesaid broad functions and as previously pointed out with reference to the definition of diplomacy, negotiation not only constitutes a core meaning of diplomacy and a master process of international relations but can justifiably be considered to be the primary function of diplomacy. In this respect

various oriental and occidental commentators on diplomacy who were also practitioners of diplomacy, such as Chu en lai and Henry Kissinger, are adamant that negotiation apart from being a function of diplomacy, is also the main instrument of diplomacy. Accordingly, Kissinger (in Berridge, Keens-Soper & Otto 2001:197-198) describes diplomacy as a series of negotiation steps merging into a continuum. Step-by-step diplomacy, therefore, progresses through a series of interim negotiations and subsequent agreements.

In respect of negotiations, Kissinger (1979:7-16) urged the practitioners of diplomacy to employ moderation and pragmatism. This applies in equal measure to the pursuit of overall objectives as to the means employed: “Those who grasp for everything, who forget that politics is the art of the possible, in the end may lose all” (Kissinger 1979:16). This dictum corresponds with the oriental viewpoint that ‘whoever wants everything, will get nothing’ and suggests that ‘a wise man is the one who knows where to stop and when it is enough.’ Similarly Kissinger (1979:8) counselled against yielding to the temptation of a ‘diplomatic victory’ since it tends to be counter-productive. A unilateral ‘victory’, he argues, cannot be maintained indefinitely since no opposing country will adhere for any prolonged period of time to an argument that is against its own interests. Ultimately, diplomatic victories ‘mortgage the future’ and ought therefore to be avoided in favour of ‘quiet diplomacy’. Kissinger emphasised the importance of cultivating an impression of reliability in diplomatic negotiations as a major asset. In words that echo Callieres’ plea for honesty in diplomatic dealings, he observed that in diplomacy, crude tricks are almost always self-defeating (Kissinger 1979:7-16). Orientals share this view that is reflected in the warning that “honesty is the father of trickery”.

Kissinger (1994:744-745) was not in favour of the formulation of fallback positions at the commencement of negotiations. His argument was that such positions would invariably undermine the tenacity with which the negotiators stick to their official position. Rather, negotiations are ‘about trading concessions’, an assumption that constitutes the very nature of Kissinger’s diplomacy. Oriental diplomats are similarly reminded that negotiation is the art of making concessions, thus the art of ‘give and take’. To succeed in their endeavours, the negotiating parties must strike “a balance of mutual concessions” (Le Duc Tho 1982:92).

Closely linked to the need for mutually acceptable concessions is the need for secrecy. Here again Kissinger (1979:552) echoes earlier writers on diplomacy. Secrecy and confidentiality allow the parties involved to negotiate upon the basis of reciprocity without being subjected to domestic pressures. Central to Kissinger's strategy is a twin-track negotiating and decision-making process. Bearing the context and the importance of these new 'back channels' in mind, he is of the opinion that the utility of informal channels lies not only in expediting negotiations and rendering diplomacy more flexible by feeding results achieved in the 'back channel' into the 'front channel' and *vice versa*, but also in the fact that the use of informal channels enables the establishment of contact with states between whom there were previously no formal diplomatic contacts or relations. This position is not foreign to the oriental mindset and negotiation strategies.

These functions of diplomacy provide an indication of the what, why and how of the tasks that diplomats undertake in practice and are also indicative of the scope of diplomacy. In both the West and the East diplomacy fulfil these functions. There is also little difference in the way in which both the East and the West understand these functions, though their respective approaches and methods are different. The distinctiveness of an oriental and more specifically a Chinese diplomatic style is to be found in these approaches and methods.

2.2.3 The modes of diplomacy

Before analysing the characteristics of oriental diplomacy, the modes of diplomacy are discussed as an indication of the nature and scope of diplomacy and also to provide a classification of diplomacy.

The modes of diplomacy (as in Berridge 1995) are classified based on three criteria, namely the duration, form and level-type of diplomacy. The duration of diplomacy refers to its continuous or non-continuous nature, being either permanent or temporary (*ad hoc*); the form of diplomacy is based on the number of actors involved and can be either bilateral or multilateral; and the level-type of diplomacy refers to both the status of the representatives involved and the political entities they represent (Du Plessis 2006:137-139).

Regarding the duration, a distinction is made between permanent and *ad hoc* diplomacy. Permanent diplomacy refers to the establishing of a resident mission in foreign countries or establishing a permanent diplomatic mission at an international organisation (for example, a state's missions at the UN or World Trade Organization -WTO). *Ad hoc* diplomacy refers to temporary and periodic diplomatic exchanges in the form of meetings or high-ranking visits involving government representatives (Tran 2004:36).

Regarding the form of diplomacy, a basic distinction is made between bilateral and multilateral diplomacy. Bilateral diplomacy involves two international actors or political entities. Multilateral diplomacy involves more than two actors and it often takes place in conference format. The level-type of diplomacy is based on the status of the diplomatic representatives or agents involved and the type of international actors or political entities that they officially represent (Berridge 1995: 37-39).

Therefore, the mode of diplomacy is based on its duration, its different forms, the number of actors or parties involved, and the level and status of representatives involved. This classification of the modes of diplomacy provides a basis for analysing the nature and scope of the diplomacy of China.

2.3 SELECT CHARACTERISTICS OF ORIENTAL DIPLOMACY

The distinctive features or collectively the styles of diplomacy are the result of historical tradition and the characteristics of a nation and people, but are also influenced by the impact of a country's geopolitical position in the international arena. The notion of diplomatic style therefore reflects the mainstream political thinking, perspectives and theories of a nation, which are embedded in its culture. The occidental culture and the oriental culture (of which the Chinese is one of the most prominent examples) differ in many respects, including behaviour, lifestyle, thought, language, and even work ethic.

To the extent that they are based on or reflect national traits, contemporary diplomatic studies focus predominantly on Western (e.g. British, Italian, French and American (US)) diplomatic styles without giving sufficient attention to oriental

diplomacy. The aim of the subsequent discussion is to add new concepts and assumptions to the conventional Western-centric understanding of diplomacy, in order to instil it with diversity and to make it more representative of different cultures; as well as to provide a framework for understanding the 'new diplomacy' of China. Obviously, each style of diplomacy has its distinctive features and characteristics. The following approaches provide more detail of selected although core characteristics of oriental diplomacy.

2.3.1 A realist approach

Western diplomacy is a wide-ranging concept that includes the notions of *Realpolitik* or power politics, *raison d'etat*, balance of powers and geopolitics. These aspects relate to theories ranging from realism to liberalism, although the former prevails; and to the foreign policy corollaries of diplomacy ranging from isolationism to internationalism. The oriental school has a similar concern with geopolitics, regional hegemony, balance of power, national interests, and alliance and counter-alliance, but these are exposed in different ways. For example, the Orient has initiated many diplomatic approaches or strategies based on instructions such as using 'soft power' to overcome 'hard power', 'inaction is better than action', and 'allying with the state afar, attacking the state nearby' (Ton Tu 1946:63). Although intrinsically corresponding with realist tenets, and although these ideas may seem to be alien to Western minds, they are effective for oriental states.

The Western approach to the world is predominantly based on the great European diplomatic tradition (developed from the 17th to the 19th centuries), which can be summed up in two concepts. The first concept is the *raison d'etat,* the 'reason of the state' implying that the interests of the state justify whatever means are necessary to pursue them. This idea of the national interest replaced the medieval notion of a universal morality that previously guided men and nations. The second concept is 'balance of power' in an anarchical international order lacking a central supranational authority and in which no nation is dominant. Each nation maintains its independence by aligning or opposing itself with or against other nations, according to its calculation of the imperatives of power. All *status quo* nations benefit from this arrangement. They can assess the pretensions of the most aggressive nation and in response

pursue international stability and moderation by maintaining a balance of power (Nicolson 1969:29-32).

It is easy to surmise that these concepts are similar to the traditional oriental diplomatic strategy of 'vertical alliance vs. horizontal cooperation' (Tu Ma Thien 1980:55), which originated two thousand years ago. By definition this strategy requires that in their own national interests weaker states, when confronted by a stronger warring state, should ally with each other in order to cope with the threat the stronger poses. *Vice versa*, the powerful state must send diplomats to persuade one member of the alliance of the weak to break its commitment and cooperate with the stronger state to secure greater benefits. When the balance of power is tilted, the powerful state can conquer the individual members of the alliance one by one.

In this respect it can be concluded that the oriental viewpoint corresponds with traditional Western realist thinking, and *vice versa*. Firstly, the oriental approach virtually insists that states are coherent units and the dominant actors in world politics. Secondly, similar to realist views, orientals assume that military force is a usable and effective instrument of policy. They also believe that using or threatening force is one of the effective means of wielding power, although other instruments can and should also be employed.

2.3.2 A situation-centred approach

The oriental tendency to stress situational change, and to react and adjust accordingly, is compatible with what Pye & Leites (1982:1162-1163) term the 'situation-centred' characteristic of oriental behaviour. They note that the emphasis orientals place on the individual's appropriate place and behaviour among his fellow citizens contrasts with the 'individual-centred' Western emphasis. Orientals are much more concerned with community values. With regard to social behaviour, they believe that it is entirely reasonable for people to conduct themselves according to what makes sense for them in particular circumstances. Therefore, when conditions change, it is only natural that peoples' behaviour and attitudes also change accordingly. If the objective situation in the external world, with reference to contradictions, configurations and balance, is in constant flux, why should a certain alignment be maintained permanently? In the oriental mind, wise and far-sighted

statespersons or diplomats are those who can “adroitly guide action according to circumstances” (Pye & Leites 1982:1162-1163).

This ‘situation-centred’ inclination contrasts with Western practitioners who go to extreme lengths to justify that they have under all circumstances and in an ‘individual-centred’ sense been consistent in their views and actions. For the oriental diplomats, it is a sign of wisdom to be flexible and to adapt to the logic of a situation, and it is an indication of power to be able to adapt to and manage policy change. Proving that one has both wisdom and power in a ‘situation-centred’ context is a combination ‘hard to beat’ in any culture, and it is thus not surprising that oriental leaders and diplomats are willing to alter their policies with confidence (Jisi 1994:488-489).

2.3.3 A relation-centred approach

According to oriental thinking, world politics and foreign affairs are literally seen as 'interstate relations.’ Therefore, the fundamental issue in oriental diplomacy is always an issue of 'taking sides' within or opposed to a certain group. The oriental approach to world politics is distinctively actor-centred (state-centred in most cases) and therefore ‘relation-centred’. Just as individual foreigners are categorised as being friendly, unfriendly or hostile, similar labels may be applied to different states on the same basis, depending on their relations with the own (friendly) country and their attitudes toward the own country’s adversaries (Jisi 1994:492).

Western diplomacy is more concerned with ‘democratic enlargement’. According to Kissinger (1994:33-34), the American tradition points in two opposite directions: The first response is the withdrawal of the US from international affairs, in terms of the principle of isolationism, so as to perfect its own democratic institutions and to serve as a beacon for the rest of humanity. The second is to engage in a global crusade for democracy, as a means to transform the international system into a global international order that is based on democracy, free commerce, and international law. Kissinger (1994:49-55) argues that in such a world, peace would be the natural outcome of relations among peoples and nations, rather than the result of an artificial, unstable and unjust balance of power. Oriental diplomacy does not exhibit this ‘ambition’, partly because its own understanding and interpretation of democracy,

social structure, and traditional conduct is different from that of the West. Therefore, the oriental approach to world politics is less complex and more relation-centred.

2.3.4 Emphasis on moral behaviour

The oriental way of viewing and conducting politics has its roots in its political culture. In domestic politics, the oriental polities are particularly reliant on morality and ethics rather than on law; on moral consensus rather than on judicial procedure; and on a benevolent government rather than upon constitutional 'checks and balances' (Kim 1994:405). The same approach extends to their behaviour and diplomacy in world politics. Therefore, orientals tend not to over-emphasise the notion of sovereign states 'jockeying for power' in the international system. Although the reality and imperatives of nation states and power politics are acknowledge, as has previously been indicated, oriental states rather tend to emphasise moral behaviour based on the general assumption that "the powerful states should not use their strength to threaten the weaker ones" but should rather uphold trust and respectability in their international conduct (Kim 1994:405). The alternative would be a battle between two civilizations, each equally convinced of its own superiority.

This oriental way of thinking contrasts with the Western penchant for explicit, formal, contractual agreements (also to codify settled norms and human rights in positive law) to manage and resolve differences between contesting parties. The codification and institutionalisation of norms and binding legal contracts are far less thought of in the Orient than moral persuasion and tacit understandings. In contrast with the Western insistence on a legalistic approach, although not implying that ethics and moral behaviour have no place in Western thinking and actions, the oriental approach is to reach (moral) agreements that deliberately create or lead to a measure of ambiguity, and that would take time and effort to clarify and resolve (Kim 1994:407). In comparison, it is difficult to determine which of these two different styles of conduct is 'better' or preferable. Each style has its own uses and advantages, and is more suitable to its own tradition and culture.

2.3.5 Emphasis on inaction

The oriental diplomatic posture and strategy often stem from geopolitical thinking, in a manner that is quite distinct from that of the West and deeply rooted in history. For

example, the development of oriental civilizations has produced the curious lesson – one that other international actors may find difficult to accept – namely that 'inaction is better than action'. Abstaining from action is often better than taking action, especially if the 'self' does not have the power to control events or to change the outcomes of what is about to transpire. This approach is to let others deal with an existing or new reality, while the 'self' builds its strength; to act only if the need arises; and, when action is inevitable, to act discreetly (La Quan Trung 1997:507). The philosophical variant of this style of thinking is reflected by the metaphor that a wise leader or diplomat should act as "a wise monkey waiting on the top of a hill, while two tigers fight to the death in the valley below; the monkey will emerge victorious once the tigers are either killed or exhausted" (La Quan Trung 1997:508).

In summary, over time orientals have become familiar with traditional Western concepts. It is nevertheless difficult to determine the extent to which Western diplomatic ideas have influenced oriental diplomats. It can, however, be said with confidence that it is the traditional 'realist' approach to international relations that has made the strongest impression on orientals, as a result of the fact that the basic tenets of realism also permeates oriental thinking. To a point, observers are correct in assuming that oriental foreign policies are a rational pursuit of national interests, bearing ideological influences on the foreign policy process in mind. However, the distinctive oriental nature of (foreign policy and) diplomacy indicated above cannot be ignored.

2.4 CONCLUSION

There is basically no difference in the generic nature and scope of diplomacy between East and West, as is indicated by the aforesaid description of the definition, functions and modes of diplomacy. Also, a similar distinction and relationship between diplomacy and foreign policy is evident, since the two concepts and processes are often incorrectly seen to be identical. The aforesaid analyses of the nature and scope of diplomacy indicates that although embedded in Western-centric notions, oriental diplomacy nonetheless has certain distinctive features and characteristics.

The characteristics of oriental diplomacy, as has been pointed out, are based on an understanding of an oriental style and the introduction of oriental values and concepts into common diplomatic theories. The oriental school has a similar concern with geopolitics, regional hegemony, balance of power, national interests, and alliance and counter-alliance than its occidental counterpart, but these concerns manifest in a different context. For example, oriental diplomacy tends to emphasise situational change to a greater extent. Changes in circumstances are perceived to induce prompt changes in actions. Also, more reliance is placed on morality and ethics than upon law, upon moral consensus than upon judicial procedure, and upon benevolent governments than upon constitutional checks and balances. Therefore, there is a particular emphasis on moral behaviour in international relations, in the sense of doing 'acting correctly and doing the right thing'. This oriental way of thinking contrasts with the Western requirement for explicit, formal and contractual agreements to manage and resolve differences between opposing parties.

As contended by most Western and non-Western observers and theorists, each civilization has its own culture and each culture has its own style of diplomacy, which is the result of thousands of years of history. The present globalisation process narrows the cultural and civilization gap between nations and peoples, but the cultural differences are not totally eroded. Cultural identity always exists and the Chinese contribution to an oriental identity and oriental diplomacy is undeniable. By providing a conceptual overview of select characteristics of oriental in comparison to occidental diplomacy, a point of departure has been provided for the subsequent analysis Chinese diplomacy. Theorising diplomacy is, in fact, a step towards the further analysis of diplomatic practice.

CHAPTER 3

THE CONTEXT OF CHINESE DIPLOMACY:

A BACKGROUND OVERVIEW

3.1 INTRODUCTION

This chapter provides a background overview of the context of contemporary Chinese diplomacy. It focuses on the following dimensions from which Chinese diplomacy originated and within which it is utilised as a foreign policy instrument. Firstly, the geopolitical-historical dimension that contributed to China's current geostrategic position in contemporary global politics. Secondly, the ideological dimension that accounts for both formal and informal ideology as domestic sources of China's foreign policy and diplomacy. Thirdly, the foreign policy dimension that provides an overview of three successive phases in the PRC's foreign policy, more specifically the transition from a revolutionary to an 'open door' policy, and the foreign policy determinants of its current 'new diplomacy'. This includes references to the political and economic development over the past two decades (i.e. the reform process and transition), and to the economic capabilities that serve as a power base for China. The regional dimension examines the opportunities and challenges in the Asian region that arise from China's emergence as a major power of the first order. The perceptual dimension deals with China's world view as seen from a theoretical perspective. The purpose of this chapter is to identify salient factors in respect of each dimension that contribute to the definitive characteristics of Chinese diplomacy.

3.2 THE GEOPOLITICAL-HISTORICAL DIMENSION

Chinese diplomacy, considering the country's particular national interests and requirements, has over the course of centuries corresponded with China's geopolitical position and history. China's diplomacy is first of all determined by its geographical position. The historical core of China proper stretches from the Great Wall of China in the north to Indochina in the south, and from the east coast to the western plateau. Over centuries many of the people close to this Chinese hub, or Middle Kingdom as it was commonly known, were partly Sinocised, for example

Koreans, Mongolians and Tibetans. Thus in the eyes of the Chinese, foreigners were more foreign the further they resided from the so-called Middle Kingdom and its sphere of influence, thus the further they were removed from this centre of the natural world order accepted by the Chinese over centuries.

In terms of its physical size and achievements, ancient China is deservedly classified as one of the great empires in world history. In its pre-modern or imperial phase, China's neighbours could find a place, if an inferior one, in the Chinese order through the tribute system. Emissaries from neighbouring states were required to acknowledge the Chinese emperor's moral and political authority by visiting the imperial court during the appointed season, and presenting the emperor with lavish gifts. In return, tributary states were granted trading privileges, instruction and even military protection. Traditionally, the Chinese did not accept the Westphalian principle of sovereignty and legal equality among nations. In the Chinese scheme of things, China was at the top of an hierarchical international order. In principle and to some extent in practice, this precluded the Chinese government from entering into military alliances with other kingdoms or from tolerating the refusal of some powerful neighbours to ritually acknowledge Chinese superiority (Roy 1998:7).

Except for seven maritime voyages of exploration between 1405 and 1433, in which Chinese ships sailed as far as the Middle East and Africa, China did not actively seek information about and contact with the ‘outside world’. It neither fought external wars nor searched for external markets in an expansionist imperial context, and foreigners who visited China were welcome as long as they accepted the superiority of the Chinese civilization. Peoples, such as the Mongols (1279 -1367) or the Manchus (1644 -1911) who invaded China and established their own dynasties, were eventually absorbed and Sinocised. The Chinese Middle Kingdom could easily afford to practice what today would be tantamount to an isolationist foreign policy (Roy 1998:12).

However, by the 19th century Western nations had surpassed China in development and power. This resulted in various forms of competition and conflict between China and the West, to the extent that China was no longer in accord with the ‘Mandate of Heaven’ but a sovereign state in the international system dominated by Western powers. By the early 20th century, the foreign powers in China (more specifically the

British, French and Japanese) had as much and perhaps more political, military, and economic power than did the remnants of the Qing dynasty (Faust & Kornberg 1995:12).

The Chinese people were humiliated by the foreign presence in their country and began to develop a modern form of nationalism. Instead of viewing China's place in the world through the traditional context of the Middle Kingdom, a movement began in the late 19th century to develop a nation that had both wealth and power (Faust & Kornberg 1995:12). Following the Second World War (and partial Japanese occupation) and the Chinese civil war (1946-1949), when Mao Zedong proclaimed the establishment of the People's Republic of China (PRC) on 1 October 1949, one of the foremost goals was the establishment of a Chinese nation-state that was independent of foreign influence. This ideal also caused tension and even a deep division that have subsequently run through Chinese history, that is a tension between the instinctive impulse to 'close the doors' that had been forced open by the British and French – an opening up that had very abruptly and forcefully been brought about by the Opium War (1840-1842) – and the rational necessity to interact and trade with the outside world in order to acquire modern technology in particular.

Faced with external threats and limited means of dealing with external threats throughout the 20th century, the Chinese have at times sought alignment with one power or groups of powers, and have at other times avoided entangling alliances. During the Cold War period China initially aligned with the Soviet Union in opposing the US, but later followed a policy of isolation in its relations with both the East and the West before aligning against the Soviet Union, to finally seek friendly but nondependent relations with all major powers (Faust & Kornberg 1995:12). In contrast, during the post-Cold War era of changing geopolitical structures and power configurations, China's security imperative is to collaborate with other states. This is to prevent any state or group of states from dominating the international system, more specifically Asia, militarily or economically.

3.3 THE IDEOLOGICAL DIMENSION

In one form or another, ideology plays an important role in the diplomacy of every state and China is certainly no exception. As such, the following discussion covers

ideology as a domestic source of the PRC's foreign policy and diplomacy. In this respect a distinction is made between formal and informal ideology.

Concerning formal ideology, what distinguished the PRC from other countries, particularly during the early years of its existence, was its application of the highly articulated, systematic and formal ideology of Marxism-Leninism, albeit in its Maoist variant, to diplomacy. This included the assumption that ideology should provide China's diplomats with an accurate guide to decision-making in the international arena. The concepts and language of Marxism-Leninism, albeit in the form of a Maoist legacy, continue to inform the thinking of Chinese diplomats and continue to justify Chinese diplomacy in ideological terms (although in a less messianic sense than in the past).

This formal system of ideas also provides a perceptual prism through which Chinese diplomats view the world and explain reality. However, Chinese Communist Party (CCP) leaders presently view Marxism-Leninism as mainly providing the ideological framework for long-term goals and fundamental social values within which a post-revolutionary, advanced industrial economy and a modern society can be constructed over the period of many decades (Zhao 1996:10-12). Adherence to Marxism-Leninism-Maoism and the ideological leadership of the CCP is seen as a guarantee of social and political stability without which contemporary developmental goals cannot be achieved. However, since the late 1970s, Chinese leaders have discarded the old revolutionary slogans about resistance, struggle, turmoil and transformation and replaced them with those of peace and development that emphasise China's primary domestic and international goals and the necessary conditions for the attainment of China's growth and well-being (Kim 1994:410-412).

Concerning informal ideology, a cluster of ideas, values, assumptions and prejudices – often operating at an unconscious level – shapes the external outlook and influences Chinese foreign policy decision-making. This informal ideology is part of a generic Chinese nationalism rooted in a sense of Chinese national identity that developed historically over a very long period of time. As such it is difficult to summarise and provide substance to this informal ideology, since it consists of many disparate 'bits and pieces'. It nevertheless represents a disposition towards the 'self'

and the 'other' in the context of international relations. As part of the Chinese national character, this disposition includes the following (Zhao 1996:47-49):

- The Chinese are a great people and China is a great nation.
- The Chinese nation deserves a much better fate than that which it has experienced in the modern world.
- China should be accorded compensatory treatment from those powers which have insulted or injured it in the past (especially Japan).
- As a great nation and major power, China naturally occupies a central position in world affairs and must be treated as a superpower (or major power of the first order).
- China's national sovereignty must be respected in an absolute sense, and such respect precludes any foreign criticism of China's internal politics (and its human rights record).
- China's special virtue in international affairs derives from the fact that its diplomacy is not based on expediency but on immutable principles that express universal values such as justice and equity.

China's hypersensitivity about these issues are indicative of the fact that it regards respect for symbolic and status issues as being no less important than substantive issues pertaining to resource allocations and political power. Cases in point, amongst others, are the PRC's sensitivity about its human rights record, about Taiwan, about questions of international nomenclature, about membership of international organisations and the sequence and manner in which new member states are admitted to these organisations.

Of the aforesaid six dispositions, the last three also constitute a claim to entitlement by virtue of China's ontological status rather than its behavioural characteristics. In effect, they are a demand that others recognise and respect China's exceptional qualities. Despite their protestations to the contrary, the Chinese view any criticism of Chinese policies or actions, even by friendly critics, as unwarranted and demeaning interference in China's internal affairs that are tantamount to acts of betrayal.

Therefore, the 'old friends of China' whom Beijing is fondest of are those foreigners who indulge the regime by affirming its own positive self-image (Zhao 1996:49).

China's pretensions to moral leadership in international affairs, particularly pronounced in its Third World (or South) diplomacy, is another manifestation of its informal perception. As Kim (1994:407-409) notes, this leadership is not exercised through participation in Third World international groupings but by an aloof distance. The notion that China has a right or obligation to reprimand or direct another country, as it did in its wars with India in 1962 and Vietnam in 1979, is another example of the claim (by the Chinese) that China possesses a mantle of international morality that sets it apart from other states.

China's informal ideology draws on its historical experience and its traditional philosophy. Chinese diplomats rely heavily on the Chinese cultural heritage as a reservoir of wisdom. More than their Western counterparts, their diplomatic and military behaviour draws from the lessons of classical Chinese writings such as *Sunzi Bingfa* (Sun Tzu's *The Art of War*), *Sanguo Yanyi* (*The Romance of the Three Kingdoms*), and *Shuihu Zhuan* (*Water Margin*). For example, according to Johnson (1986:15), in his diplomatic thinking Zhou Enlai was adept at extracting the essence of traditional philosophy and applying it in an appropriate manner to diplomatic practice, thereby instilling his diplomatic ideas and style with a unique Chinese flavour and greatly enhancing its appeal and attractiveness.

In conclusion, both the formal and informal ideologies serve as guidelines for leaders and diplomats in the making and implementation of foreign policy, and therefore provide both substance and style to Chinese diplomacy. To the extent that China still has a one-party political system, the formal ideology of the ruling party plays an important role in its policy-making, particularly that of foreign policy.

3.4 THE FOREIGN POLICY DIMENSION

The foreign policy history of the PRC from its establishment in 1949 to the present can be divided into three distinct phases that correspond with the country's political and economic development. The first or 'revolutionary' phase from its declared independence in 1949 to the late 1970s was characterised by revolutionary, ideology-based policies. The second or 'open door' phase from the late 1970s to the

turn of the century was aimed at attracting foreign investments, technology, know-how and management skills from developed countries. The third or 'enlargement' phase, which commenced *circa* 2000, is based on the assumption that China not only needs to 'open to receive', but also to actively enlarge and expand its international role and involvement in order to compete for global markets, energy supplies and other natural resources.

3.4.1 Revolutionary policy: 1949-1979

During the Chinese civil war (1946-1949) the US supported Chiang Kai-shek's Nationalist Party (*Kuomintang*), which was the Chinese Communist Party's main rival. After the communist victory in 1949, the PRC faced serious domestic and external problems. These included internal instability and external isolation (by the West in particular). These factors impacted severely on Chinese perceptions and foreign policy, particularly regarding China's attitude towards the US. Accordingly, in 1949, Mao Zedong identified three principles as the basis for Chinese foreign policy (Zhao 1996:46-47):

- *Lingqi luzao* – literally 'to start up the fire in a new stove' or 'to set up a separate kitchen' – in this context it means that the new China should initiate diplomatic relations with every country on a new and separate basis.

- *Dasao ganjing wuzi zai qingke* – 'to clean the house first and then to invite guests' – that means to consolidate the regime internally and then develop foreign relations.

- *Yibiandao* – 'leaning to one side' – that meant (under Mao and in terms of ideological solidarity) to favour the Soviet Union.

Driven by the perception of outside threats to the revolutionary regime, the PRC leadership under Mao often resorted to the (direct and indirect) use of military means. It was with the goals of regime survival, national security, and the preservation and enhancement of ideology that China entered the Korean War and supported the North Vietnamese in the Vietnam War (against the US).

Mao also believed that China must support 'continuous revolution'. In this respect, revolution was defined as "smashing the structure of authority, and action assuming charismatic leadership, mass mobilization" (Zhao 1996:47). While the seizure of political power and the ownership of the means of production from the exploiting classes could be completed in China within a relatively short period of time, it would take many generations before the remnants of old ideas, practices and processes could be rooted out. From this Mao concluded that the struggle and the revolution "must therefore continue" (Zhao 1996:47). In this belief, the Chinese government under Mao conducted numerous political campaigns to challenge authority structures, not only domestically but also internationally. In an editorial of the *People's Daily* in early 1965, the Chinese government for the first time openly voiced the slogan of 'world revolution' as a guideline for China's foreign policy. Throughout most of the Cultural Revolution this ideal was linked to popular slogans such as 'down with imperialism', 'down with revisionism' and 'down with reactionaries in the world' (Zhao 1996:48). As a revolutionary power, Mao believed that China had a moral obligation and ideological responsibility to advance the 'world revolution' and to support revolutionaries in other countries.

These political-strategic considerations during the Maoist era often overshadowed other non-ideological aspects of Chinese foreign policy, more notably the country's external economic relations and international trade. As a result China was preoccupied domestically with revolutionary political campaigns and remained essentially an isolated country internationally.

3.4.2 'Open door' policy: 1979 - 2000

From 1977 onwards China started to shift its priority from revolutionary consolidation to modernisation. The third plenum of the Eleventh Central Committee of the Chinese Communist Party on 18 December 1978 marked China's second opening up to the world – the first being during the mid-19th century. Unlike the situation in 1840s when the feudalist rulers opened the economy under strong foreign pressure, China's communist leaders adopted the 'open door' policy in the late 1970s, after the end of the Cultural Revolution, in order to address and alleviate the severe adverse impact the latter had on the country's economy and politics. The lessons of China's 19th century history nevertheless had a profound effect on the thinking and approach to

reform of China's leaders. One lesson was the need to foster economic growth and development while at the same time maintaining political stability.

For China, the Communist Party leadership remained a crucial factor in the successful maintenance of national integrity and sovereignty in the face and pressures of 'opening up' and international reintegration. While stressing the need to develop the economy – e.g. during the early 1980s Deng Xiaoping identified the need for 'four modernizations' in the field of agriculture, defence, science and technology – China's leaders believed that reform should be carried out in a gradual manner and on an experimental basis. This meant that economic reform had to precede political development, including the possibility of democratisation. As a result, political change and development in China is only likely to occur in an incremental and evolutionary manner. Direct or indirect foreign intervention and pressure from other countries are therefore deemed to be unnecessary and inappropriate, and also involve the risk of causing tension between China and external actors.

As a result of the aforesaid initiatives, China underwent a series of profound domestic economic and political reforms that have forced its foreign policy to become more open and receptive to the international community. Reform policies in the domestic arena have similarly been influential in the development of China's 'open door' policy towards its external environment. Four factors explain this dramatic change in policy (Zhao 1996:51):

Firstly, the Chinese leadership believed that emphasis should be placed on economic modernisation rather than ideology. This priority inspired and necessitated China's 'open door' policy because the country's development required more extensive contacts with capitalist economies that were in a position to help China achieve its modernisation goals.

Secondly, China's international status had changed since the early 1970s along with its acquisition of a permanent seat on the UN Security Council; its improved relationship with the US following the Nixon-Kissinger visit of 1972; and its establishment of diplomatic relations with Japan and other major European countries. Throughout the 1970s and most of the 1980s, China was regarded as one side of the

'strategic triangle' formed with the US and the Soviet Union. Even after the collapse of the Soviet Union in the early 1990s brought an end to this tripolar arrangement, the widespread recognition of China's strategic importance in East Asia has prevailed. Vital global issues such as "international security, environmental protection, trade, development, and human and political rights", as Levine (1992:241) points out, "cannot be addressed without full Chinese participation".

Thirdly, the influence of pragmatism has increased. Since the late 1970s, ideological considerations have largely given way to pragmatic economic considerations. Fourthly, and closely related to the latter, the countries bordering on or near China – especially Japan and the newly industrialised economies (NIEs) of South Korea, Taiwan, Hong Kong (now part of China) and Singapore – had undergone rapid economic development. Recognition of this fact also stimulated fundamental changes in the Chinese leadership's interpretation of national survival on the world stage. In this respect, the Chinese government has come to appreciate the fact that economic competition is no less important than political and military confrontation.

In conclusion, China has from Mao (1949-1978) to Deng (1979-1989) made five significant changes in its foreign policy. These are (Zhao 1996:53-7):

- a change from advocating world revolution to pursuing a peaceful international environment;
- a change from hostility toward existing international norms to an acceptance and membership of the international order;
- a change from an emphasis on political and military build-up to an emphasis of economic modernisation;
- a change from dogmatism to increasing pragmatism; and
- a change from the policy of 'liberation of Taiwan by force' to a policy of peaceful unification and the notion of 'one country-two systems'.

3.4.3 'Enlargement' policy: 2000-2005

At the beginning of the 21st century – two decades after Deng Xiaoping launched his platform for reforms – China is establishing the political and economic power base that makes it an influential player in a broad spectrum of global affairs. As an emerging major power of the first order and being a key player on the international scene, China is now able to influence world affairs through its economic importance and diplomacy. Based on its 'new situation' in the 21st century, China's economy has progressed beyond the 'open door' phase to a new phase of 'market enlargement' representing a higher stage of international involvement. As such, China's present foreign policy promotes the growing demand of 'market enlargement' on a global scale. The main focus and foreign policy objective of China is no longer the 'four modernisations' but 'development through enlargement'.

3.4.3.1 Economic expansion

The 1979-2000 period has seen the fastest and most extensive development in China, with an annual growth in Gross Domestic Production (GDP) of 9,5 percent compared with 2,5 percent for developed countries and 5 percent for developing countries (Xinhua News Agency, 26 November 2001). Following two decades of rapid economic expansion, China has become a global centre of export-orientated manufacturing and for the first time in its history an important 'growth engine' of the world. The country's economic growth and development has therefore made China a far more important actor in world economic development than it had been ten years earlier, also considering that foreign capital and foreign markets shore up the Chinese economy.

The process of economic development accelerated after China was admitted as a member to the World Trade Organization (WTO) in 2001. Nearly US$53 billion in foreign direct investments (FDI) flowed into China in 2002 – much of it to underwrite the production of export goods – while the country's trade surplus reached US$50 billion. In 2002, China replaced the US as the main destination of FDI, with inflows totalling U$52,7 billion. Its foreign exchange reserves reached more than $400 billion (in 2003) – second in the world only to Japan (Stratfor 2004(a), 16 January 2004). Since 2000 China's growing demand for food imports, factory supplies, fuel and

infrastructure construction has also made it one of the world's leading consumers of commodities and raw materials.

In its economic diplomacy, China has not refrained from using its political influence. For example, at the 5th WTO ministerial meeting on trade negotiation in Cancun (2003), less-developed countries formed the so-called Group of 22 (G22) led by Brazil, India, and China, to counter the US and European Union. This group successfully stopped the trade negotiation agenda in Cancun (Stratfor 2003(c), 20 September 2003). The G22 is not so much a Chinese initiative as Brazilian and Indian, but the Chinese involvement is indicative of an ability to influence the multilateral trade regime. China is expected to exploit its political influence in future negotiations, including talks with the US on the undervalued *yuan*.

3.4.3.2 Economic constraints

Though China has an impressive record of achievements in the economic sphere, the expansion of its power base remains constrained by factors such as bad investments, unemployment, corruption, and various social problems. Obviously China's links and interdependence with the rest of the world comes at a price. The most important constraint being the fact that economic expansion has made the nation dependent on foreign energy supplies and foreign capital.

Firstly, economic activity requires energy. According to the U.S. Department of Energy's Energy Information Administration (EIA), China became a net oil importer in 1993 and the world's third largest petroleum products consumer in 2002. Already in 2002, in order to meet its demand of 5,26 million barrels per day (bpd), China had to import 1,87 million bpd. The EIA projects that China's oil demand will reach 10,9 million bpd by 2025 requiring 7,5 million bpd in net imports (Stratfor 2004(c), 9 June 2004). Therefore, dependency on foreign oil is a critical weakness of China. As a major power and unlike the US – which has been in the global oil business for several decades – China lacks a 'blue water' navy and a merchant navy to support the building of strong alliances with major oil exporters or to deal with geopolitical fluctuations that could endanger its energy supplies. The rapidly increasing energy demand is not the only problem. China's quest to consolidate its energy industry,

optimise its energy consumption, limit costs, and minimise foreign involvement in its energy market has precipitated an emerging energy crisis in the country.

Secondly, the state banks are burdened with several hundred billion dollars of non-performing loans (NPL) that potentially could threaten China with financial ruin. In order to rectify the situation, the banks need to cut their 'life support' to the State-owned Enterprises (SOEs) – many of which is unable to pay the interest on their loans. Foreign financial analysts estimate that it would require a US$300 billion to US$500 billion capital injection to put China's banks back in order. In the short-term, China is relying on foreign investors to foot the bill and to share the risks (Stratfor 2002, 13 December 2002). Foreign banks, disciplined by the profit motive and organised around sound financial principles, are expected to leave Chinese banks to their own devices in order to solve their own problems. However, irrespective of the costs and constraints involved, the maintenance of links with foreign capital and export markets remains a priority for China.

In summary, China's increasing economic power cannot be ignored. If China can sustain its present expansion and manage its economic problems, it is expected to become a superpower and challenger to US world leadership in the near future. Presently, in support of economic development and enlargement, China has actively broadened its diplomatic activities over the world, especially in prospective markets such as Africa, Latin America and Central Asia.

3.5 THE REGIONAL DIMENSION

The regional dimension involves, firstly, the opportunities and challenges in the region that arise from China's emergence as a global power and, secondly, the issue of China's engagement in multilateral regional development and cooperation. In Chinese thinking the favourable environment presented by the Asia-Pacific region is one of the most significant factors in its development. The region does not only impact directly on China but, *vice versa*, China's development also directly affects its regional environment.

However, the increase in China's economic and political power has provoked several controversies concerning its future regional involvement and role. In this respect, two major schools of thought can be identified. The first school, subscribing to the 'China

threat' theory, views China as a potential threat to the US and neighbouring countries. The second school, subscribing to a notion of a 'non-threatening China', regards China as being merely a developing country that has to contend with, presently and in the future, numerous problems (Tang 2003:5).

Proponents of the first school of thought mainly come from the US, Japan, India and Russia (Munro & Bernstein 1997:38). Their point of departure is the popular view, of a 'coming conflict with China', based on the assumption that China indeed poses a threat to their countries. Seeing themselves mainly as neo-realists in support of a balance of power, the proponents of the first school subscribe to the containment of China as a foreign policy imperative. They deem China's economic rise not to be the result of radical economic reform, but as the outcome of China's neo-mercantilist strategies, especially towards the West and the US. For them China's national identity is defined by the phrase that (in particular) 'America is the enemy'. Accordingly, the first school favours a hard-line neo-realist approach to contain China, mainly by maintaining the economic and military power and supremacy of the West and by strengthening existing US alliances in East Asia.

The second school of thought includes proponents such as Chalmers Johnson (2000) and Chen Jian (1998). According to Chen Jian (1998:37-45), China should be seen as a 'challenge' rather than a 'threat', given its limited power and the difficulties that confront its development path. Similarly, Johnson (2000:18) urges US officials to refrain from exaggerating the Chinese military threat since China remains inferior to the US economically and militarily. Even though China has accelerated its economic growth, its level of development lags far behind that of the developed countries and the global geostrategic configuration is not expected to change in a considerably period of time. In this respect, the major challenges that limit China's future development and that constrain its emergence as a major power of the first order and a regional hegemon, include inadequate education and uneven development.

These views of China, although they provide useful insights to the regional politics of East Asia, share a basic problem due to their one-sided and over-simplified approach. They tend to view China either as a threat or as a non-threatening challenge without fully taking into consideration both the negative and positive effects

of the country's rise. China's emergence as an economic and political power has brought about both opportunities and challenges for East Asian and non-regional countries, although the implications thereof may vary from country to country. For example, even Japan that is usually considered to be the main regional rival of China, has significant interests in the growth and development of China especially in terms of economic (trade and investment) opportunities.

There has been a widespread fear that China's economy boom will put strong pressure on East Asian states, by driving their exports away from their traditional markets and by outdoing them in foreign investment inducement (*Asia Times*, 31 October 2003). Although a negative factor, this is only partially true. The positive effect of China's economic development is that it is not only serving as an Asian 'growth engine', but also as a global one. In 2002, China accounted for only 4 percent of the world economic output, but for 17 percent of global expansion; its economic expansion in absolute terms was more than ten times that of Japan (Lardy 2003:26). Since the emergence of China occurred at the same time that other East Asian economies were also performing well, its is reasonable to assume that East Asia as a whole will develop strongly even in the face of an emergent China. More importantly, China's economic development has provided opportunities for cooperation, which facilitate growth and also foster interdependence among the countries of the region. In this respect notable progress has been made in terms of wide-ranging cooperation within the framework of the Association of South East Asia Nations (ASEAN), ASEAN+3 that also includes Japan, China and South Korea and, most recently, the ASEAN-China Free Trade Area (FTA).

Therefore, due to its inhibiting and divisive effect on regional cooperation in the non-military field, the neo-realist, balance of power approach to deal with the alleged security challenge posed by China is deemed to be counter-productive. China is also directly or indirectly involved in all the major disputes of East Asia, namely the Taiwan, the South China Sea, and Korean peninsula issues. The mismanagement of these disputes may have serious regional consequences. Given China's rapidly increasing economic and, subsequently, military strength, it would be extremely damaging for the East Asian region if a military conflict implicating China breaks out.

Therefore, the most appropriate strategy for East Asian countries is to pursue policies that engage China as a non-threatening partner in regional cooperation.

East Asia nevertheless needs a multilateral security mechanism (not armed forces and an arms race) that also engages China. The main argument in favour of a multilateral security mechanism is that it will benefit all member states by providing a stable and predictable regional environment. It would also bind China to a common framework with established norms, rules and decision-making procedures that would be difficult to violate or deviate from. It is important that all regional powers, namely the US, Japan, China, Russia, the two Koreas and also the ASEAN bloc participate in this security framework (Tran 2004:14). Since common interests exist between China and the rest of the region and all the regional actors require a peaceful environment for economic development, a stable and developed China will benefit and enhance cooperation in the Asia-Pacific region.

3.6 THE PERCEPTUAL DIMENSION

From the aforesaid discussion it is evident that various factors of a geopolitical, historical, ideological, foreign policy and regional nature provide a context for or influence Chinese diplomacy. Furthermore, since diplomacy is contextualised by these dimensions of international relations, it follows logically that Chinese diplomatic ideas and practice will also be informed by the theories of international relations that underpin the Chinese world view or constitute a perceptual dimension of China in global politics.

Numerous definitions of the concept of 'theory' are found in Western political science and international studies, most of which have at least one thing in common namely that they view theory as a proposition (or a set of propositions) that explains social reality. As a rule, Western theories do not necessarily provide specific prescriptions, guidelines or remedies to foreign policy and the use of diplomacy. In contrast, influenced by Marxist-Leninist and Maoist structuralism (as the ideological foundation of the ruling CCP), all social science theories in the PRC are expected by the leadership to contribute to the building of socialism. More specifically, according to a standard Chinese definition (Ci hai 1979), a scientific theory is “a system of concepts

and principles, or a systematic rational knowledge; … (that has been) established on the basis of social practice and has been proved and verified by social practice, and is a correct reflection of the essence and laws of objective things. The significance of a scientific theory lies in its ability to guide human behaviour". Therefore, no distinction is made between applied theories in support of the formulation and implementation of policy and social science theories that serve a descriptive, predictive and explanatory purpose in the pursuit of science.

International Relations theory, as understood by the Chinese, is not only an explanatory tool or a prism through which world affairs are observed but, more importantly, a guide for international action and foreign policy. China's theory and therefore understanding of international relations is based on dialectical and historical materialism since it is supposedly better suited to reflect new international realities, to represent China's national interests, and to serve Chinese diplomacy.

For example, when many International Relations scholars in the West observed and accepted the weakening of national sovereignty (through the prism of liberal-pluralism), Chinese diplomacy was used to preserve national sovereignty in order to ensure the country's internal political stability and its standing in the world (Sao 1986:30-40). The Chinese also seem to assume the existence of a hierarchy of issues in world politics, albeit variable, headed in some cases by questions of military security and in other cases by questions of national economic independence or internal political stability. Being less familiar with concepts like 'high and low politics', 'soft and hard power' and 'power politics', the Chinese nevertheless asserted that national sovereignty has a higher value than economic benefit and social welfare in international interactions (Jisi 1994:499).

In fact, the highest priority of Chinese diplomacy remains their national interests, along similar lines as the realist concept of the *reason d'etat*. However, Chinese leaders and diplomats also emphasise in their statements that China pursues a non-realist win-win, variable-sum game when cooperating with other countries. The assumption is that it would be 'good' for China and the world if China could promote its national interest without it being to the detriment of other actors. In an area of globalisation neo-realism and neo-liberalism has nevertheless made inroads in the Chinese perspective. However, since perceptions alone do not determine behaviour,

behavioural theories based on a structuralist world view play an indispensable role in Chinese diplomacy (Rosenau 1994: 532-533).

3.7 CONCLUSION

After three decades of reform, at the beginning of the 21st century, China has developed the political and economic power base that allows it to play a role as an influential actor in global affairs. In terms of its physical size, achievements and its position in Asia, China is fast becoming a major power of the first order and an influential or core regional actor. As such, China is shaping world politics through its economic relevance, geostrategic position and diplomatic currency.

Apart from the geopolitical, historical and economical factors, the formal and informal ideology of China serves as a context for its diplomacy. The application of the highly articulated, systematic, formal ideology of Marxism-Leninism in its Maoist variant to diplomacy is based on the assumption that it provides China's diplomats with an accurate guide to decision-making in the international arena. The concept and language of Marxism-Leninism-Maoism continue to inform the thinking of Chinese diplomats, and they differentiate and justify their own diplomacy in ideological terms. In addition, peace and development are emphasised as China's major foreign policy goals and the necessary preconditions for the attainment of China's well-being. Informal ideology – which operates at an unconscious level as part of the national character of China – such as nationalism and the perception of China as a great nation, also shapes the country's world view and influence foreign policy choices.

The three development phases of the PRC's foreign policy since 1949 also serve as a background for the instrumental use of Chinese diplomacy. From the first period of 'revolutionary' foreign policy, through the second phase of an 'open door' policy, to the present 'enlargement' phase, foreign policy has served as a context for diplomacy. More specifically, to the extent that enlargement is understood as China's recent 'market expansion', expansion of its 'sphere of influence' and expansion of its exploitation of natural resources (energy, for example), there has been a concurrent expansion of diplomatic activities. In this respect, China's foreign policy reflects both change and continuity.

Considering the external implications of China's growth and development, there has been a widespread fear that China's booming economy will put strong pressure on East Asian states, driving their exports away from their traditional regional markets and outdoing them in foreign investment inducement. This is only partially true. The positive effect of China's economic development is that the country is serving as a regional and global 'growth engine'. Therefore, China's economic rise has provided opportunities for cooperation, fostering the growth and interdependence of regional actors.

China's present security imperative is to work with other nations to prevent any state or group of states from dominating the international system militarily or economically, especially in Asia. However, the expansion of China's power remains constrained by factors relating to economic development, such as the shortage of energy, short-sighted investments, unemployment, corruption and a range of other social issues. In an era of change, Chinese diplomacy does not refute all previous policies but concentrates on the need to adapt to and exploit the opportunities presented by the new situation. Obviously, Chinese leaders and diplomats are aware of both prospects and constraints, but its new diplomacy is based on and reflects this new situation and conditions. An oriental adage says that a 'new situation makes new diplomacy'. This chapter therefore provided the context for the subsequent analysis of the characteristics, style strategies of China's 'new diplomacy'.

CHAPTER 4

THE 'NEW DIPLOMACY' AND DIPLOMATIC STRATEGIES OF CHINA

4.1 INTRODUCTION

Based on the preceding conceptual clarification and background overview, this chapter analyses the characteristics and strategies of China's 'new diplomacy' in more detail, and also compare these characteristics and strategies with underlying assumptions and basic features of its former or 'old diplomacy'. Although these assumptions and features differ from those of the past, some characteristics of current Chinese diplomacy are deemed to be a legacy of the past and indicative of continuity in its diplomacy. For analytical purposes a distinction is forthwith made between the characteristics of China's 'new diplomacy' and its diplomatic strategies.

4.2 THE CHARACTERISTICS OF CHINA'S 'NEW DIPLOMACY'

China's long history and highly developed culture has infused its diplomacy with many distinctive characteristics and traits. The following discussion identifies and explains the most prominent features of China's 'new diplomacy', bearing in mind that some represent a continuation of the past whereas others have emerged recently. The most prominent characteristics of Chinese diplomacy in the contemporary era are the emphasis of independence in decision-making along with an active engagement in international affairs; the dialectical application of 'principled-ness and flexibility' and of 'cooperation and struggle'; a flexible adaptation to changing situations; a flexible application of inaction; and a new negotiating style.

4.2.1 Independent decision-making and active engagement

Insisting on independence in decision-making is neither new nor original in Chinese diplomacy. Since the establishment of the PRC in 1949, China has emphasised and actively pursued independent decision-making as a matter of principle, albeit in a more negative or defensive mode. In the post-millennium era this characteristic is

more prominent, but in a more positive and assertive mode, as a result of China's emergence as a potential superpower; of the increase in its capabilities and power base; and of its improved position in world politics. Through decades of development, the Chinese have come to understand the negative impact that foreign intervention has had on their independence and autonomous decision-making. They have also come to realise that independence ensures the ability to choose between alternative foreign policy ends and means (or objectives and instruments,) and the ability to make foreign policy decisions based on national interests as an appropriate response to each concrete situation or policy problem the country faces.

In this respect Jiang Zemin, the former president of the PRC, stated in his November 2002 report to the 16th National Congress of the Communist Party of China that "(n)o matter how the international situation changes, we will, as always, pursue the independent foreign policy of peace" (CCTV, 2002). This emphasis on 'independent foreign policy' implies autonomy in decision-making. Due to the processes of globalisation, the notion of sovereignty has nevertheless changed considerably. As a result the decision-making processes of governments are affected by many factors, particularly by the increased interaction and interdependence among states and other international actors. This has also inhibits independent decision-making and active engagement.

The Ministry of Foreign Affairs of the PRC also emphasises the independence of Chinese diplomacy. It confirms that China has always adhered to the principle of independence and that "with regard to all the international affairs, China will, proceeding from the fundamental interests of the Chinese people and the people of the world, determine its stand and policy in the light of the merits and demerits of the matter, without yielding to any outside pressure" (PRC MFA 2003(b)).

While endeavouring to be independent in their foreign policy decision-making, the Chinese are also actively engaged in several international issues, such as coordinating the 6-party negotiation on the unification of Korea, their participation in peacekeeping missions of the UN, their stand on the Taiwan issue, and their provision of assistance to neighbouring countries after the East Asian tsunami catastrophe of 2004. China also actively engages in building and monitoring international economic and political regimes, such as the international trade regime

and the collective security regime of the UN. In this respect the *China Daily* (12 September 2003) – an official newspaper of the PRC – reported that "China's more active participation in international organisations and mechanisms has taken on a new strategic meaning. If previous policies were geared towards involvement for our own purposes, our new priority will be the active promotion of reform of the current international rules and mechanisms, so that they will reflect more of the interests of China and the vast developing world. This will not only help us obtain our inalienable rights, but also allow us to take the initiative and set up a multilateral defence system against security and economic concerns".

For example, reference has already been made of China's involvement in the G22. Another example is China's increasing engagement in the functioning of the UN, where it pursues a two-tiered strategy. Firstly, it actively endeavours and works to keep the institution strong and relevant by encouraging other major powers, particularly the US, to remain engaged in and committed to the UN system. Secondly, China forms blocs within the UN Security Council in order to achieve its policy objectives. For example, although China initially opposed the US-led invasion of Iraq, it used the first resolution (1441) of the Security Council to keep the US involved in dialogue and then joined Russia, France and Germany in an attempt to prevent the UN-mandated attack on Iraq. Therefore, China uses its increasing influence to change or reformulate UN initiatives. Apart from denoting independent decision-making, these diplomatic moves also reflect China's active engagements in international affairs.

4.2.2 The dialectical application of principled-ness and flexibility

As has been indicated, Chinese diplomacy is contextualised by a combination of ideology and traditional thinking. The influence of Marxism (more specifically Maoism) and cultural traditions is not limited to the domestic domain, but extend to foreign policy and policy-making, and is evident in the Chinese diplomatic strategies and tactics used in pursuit of the PRC's foreign policy goals. This influence is apparent in one of the most consistent and distinctive behaviour traits of Chinese diplomacy, namely the dialectical application of the duality of rigidity – in the form of principled-ness – and flexibility, respectively based on concepts of *yuanzexing* and *linghuoxing*.

Yuanzexing means 'principle' or 'principled' as in a firm stance, and *linghuoxing* means 'flexibility'. Zhou Enlai, the then designated PRC premier and foreign minister, drafted a Chinese Communist Party Central Committee document entitled *Instructions on the Work of Foreign Affairs*, which was issued in January 1949, nine months before the establishment of the PRC. The instructions emphasised that "with regard to foreign affairs, we should properly master *yuanzexing* and *linghuoxing*, so that we can be firm in our stance and yet be flexible" (Zhao 1996:117). When applied to external affairs and more specifically diplomacy, *yuanzexing* refers to an adherence to a rigid set of principles that include China's sovereignty, national interests and socialist road. In contrast*, linghuoxing* recognises the need for flexibility and compromise in the international arena.

The use of *yuanzexing* and *linghuoxing* has been influenced by the dialectical method of Marx. The Chinese communists believe that the world is essentially dichotomous – composed of two opposing forces (positive and negative) that confront each other. They recognise that the capitalist class uses both militant and peaceful means to govern the proletariat class. To overthrow capitalism, revolutionaries must therefore adhere to basic principles, yet be flexible enough to take advantage of opportunities as they arise (Zhao 1996:117).

The use of *yuanzexing* and *linghuoxing*, however, draws not only on the Marxist dialectic but also on traditional Chinese thinking. Chinese insistence on negotiating from rigid 'principles' is rooted in a 2 000 year history of reliance, by scholars, officials and leaders, on the guidelines for human and state behaviour laid down in the 'five classics and four books' of traditional Chinese philosophy, and in numerous commentaries on these works that relate to and deal with concrete policy issues. The traditional Chinese (and oriental) belief of *zhongxueweiti, xixueweiyon*, for instance, advocates the use of Chinese values as principles and the use of Western values for technical and practical purposes. Therefore, Chinese diplomats tend to be rigid in terms of adhering to basic principles, but are very flexible in practical and technical matters. They use the combination of principled and flexible behaviour to achieve maximum advantage (Zhao 1996:115-144). Thus, in a dialectical sense, both Marxism-Leninism as modified and interpreted by Mao Zedong and other Chinese

communist leaders and traditional philosophy, infuse and reinforce the application of *yuanzexing* and *linghuoxing*.

Principled and flexible behaviour, as previously in its history, has been an essential guideline for Chinese behaviour in the 21st century. Over the past few years, Chinese diplomats have consistently applied it in dealing with the US, Taiwan, the two Koreas and Japan. For example, the Chinese government has always insisted that it will unify Taiwan with the PRC, by force if necessary, as unification is a matter of principle. But, at the same time, the Chinese government promotes economic interaction between the two entities, using its economic leverage and invitations to Taiwanese opposition parties to visit Mainland China as an incentive. This approach amounts to applied flexibly in the principled pursuit of peaceful unification.

Similarly, when negotiating, Chinese diplomats often start proceedings by forwarding and establishing 'principles'. This is done in order to set limits to the policy range or agenda within which the negotiations will be conducted and in order to define the basic objectives which China insists must be achieved. Therefore, according to the Chinese understanding, without these principles negotiations are random and *ad hoc*, and have no clear purpose; diplomats have no foundation for arguing their positions; and the order, structure and design demanded of Chinese rulers, both by tradition and modern doctrine, cannot be achieved (Kreisberg 1994: 461).

Kreisberg (1994:461-462) contends that in the past (1949-1978), the Chinese government had at times extended the political principles used in respect of state-to-state relations to other substantive issues, including commercial, economic, technological and cultural negotiations. For many Westerners it was unusual to find that in negotiating cultural or educational exchanges, investment projects, or scientific co-operation, Chinese negotiators cited such political principles as 'non-interference in internal affairs' and 'mutual benefit'. Today, Chinese diplomats express a willingness in the negotiating process to deviate from a rigid insistence on principles, but without acknowledging that a retreat has been noted. Similarly, Chinese diplomats at the UN often describe their positions in terms that are consistent with their 'principles' and thus acceptable in Beijing, even when in reality they might be moving very close to the edge of these principles. Once negotiators

realise that considerable flexibility is possible within the context of these 'principles' – depending on China's perception of circumstances and interests – negotiating with China becomes a more familiar process of identifying how 'principle' and 'interest' might be flexibly reconciled in specific circumstances.

Obviously a rigid set of principles is not only adhered to or applied by the Chinese, but the systematic and constant articulation thereof is obviously more prominent and important in China than many other countries. For the US and some European countries such as the United Kingdom (UK) and Germany, 'principles' tend to be more ethical and moral in nature, focusing amongst others on the rights and obligations of individuals and not only on the rights and obligations of states. Western diplomats also often define legal norms in principled terms (Kreisberg 994:468-469). Although Chinese diplomacy has a strong ethical and moral character, Chinese diplomats rarely refer to issues of individual morality (e.g. human rights) in their negotiations (Kreisberg 1994:468). Religious and personal freedom, democratic values, indeed the entire range of issues described as 'human rights' in the West represent fundamental areas of principle on which negotiations are particularly difficult between Chinese and Westerners, also considering that they rarely arise in negotiations between Chinese diplomats and their counterparts from non-Western countries. Chinese diplomats and scholars categorically deem these issues to be improper for state-to-state negotiations. They argue that since they may involve basic cultural differences or traits between states, raising them at the diplomatic level is tantamount to interference in the internal affairs of the state.

Therefore, today as in the past, the art of principled-ness and flexibility is emphasised in Chinese diplomacy. In recent years this characteristic has also contributed to the success of China's diplomacy, also to the extent that its application differ from those of its Western counterpart and provide room to manoeuvre.

4.2.3 The dialectical application of cooperation and struggle

China's 'new diplomacy' is characterised by a complex blend of 'cooperation and struggle'. Even in bilateral relationships, Chinese diplomats always see diplomacy as having two sides: one side being cooperative and beneficial and the other being

conflicting, contradictory and harmful. Therefore, Chinese diplomats always emphasise the importance of finding cooperative ways to generate further benefits, while at the same time trying their best to limit what is harmful and disadvantageous in each bilateral relationship. This applies to every partnership that China has forged with a foreign country (Harding 1994: 373).

The diplomatic history of the PRC demonstrates that the boundary between cooperation and conflict (or 'struggle') can be extremely tenuous. Most of China's most intense adversarial relationships – including that with the Soviet Union after 1960 – resulted from the deterioration of what had previously been China's closest or most 'tight' cooperative relationship (Harding 1994:375). In this case, the common interests that once linked the two countries began to fade, to be replaced by more competitive perspectives. Moreover, the cooperative relationship was shaken by the Chinese perception that its foreign partner was attempting to intervene in China's internal affairs.

Chinese diplomacy have also shown an ability to rebuild cooperative ties with former adversaries, as illustrated by the relations with the US after 1969, with the former Soviet Union after 1982, with India after the mid-1980s, and with Vietnam in the early 1990s. In all of these cases Chinese diplomats came to acknowledge both the costs of further confrontation and the benefits that could be accrued through greater cooperation (Harding 1994:376). At present China attaches the highest priority to economic development and, for this reason, the maximisation of access to foreign markets, energy, technology and capital constitutes a large proportion of Chinese foreign policy and diplomacy. This has forced China to form cooperative ties with an unprecedented range of political entities and societies, including those with whom the country once had hostile relations.

Presently, both cooperation and struggle are often blended in one relationship and may be implemented simultaneously. Chinese diplomats promote cooperation to maximize what is in their own interests, and to prevent what is not so. 'Struggle', as the Chinese often contend, is used in order to support cooperation.

4.2.4 Flexibility in adapting to changing situations

The Chinese proclivity of flexibly adapting to changing situations is closely related to and to an extent a derivative of the dialectic relationship between principled-ness and flexibility. This approach is based on the Chinese cultural idiosyncrasy to emphasise objective events and to avoid revealing subjective change and psychological growth (Pye & Leites 1982:1162-1163). In order to understand Chinese foreign behaviour at any given time, “one must look at both the international situation to which China must respond and the attitude toward the outside world prevailing within the Chinese leadership” (Hamrin 1986:50-51). If this dual focus is sensible, then various 'sources' of Chinese diplomacy should be considered. These include ideological preferences; perceptions of China's national interest; assessments of China's material power; historical experience; political tradition and political culture; domestic structure; and political attributes, including the changing political climate and the composition of the leadership cadre.

The Chinese deem 'adjustments' in domestic and foreign policies to be ‘natural’ as long as 'principles and goals' remain unchanged. As Harding (1994:374) contends, “Chinese leaders insist that their country's foreign policy has been unvarying in its basic orientation and goals”. They do not see much change in their policies, partly because they view what has changed as being imposed by new external circumstances and therefore they flexibly adapt to these changes.

For example, the changed post-Cold war alignments and grouping of political forces represent an important set of changes in Chinese calculations. The establishment of the Shanghai Cooperation Organization in 1996 corresponds with China’s strategy to penetrate the US sphere of influence encircling China. Chinese diplomats, as observers of world affairs, are expected to provide up-to-date analyses of the structural division and polarisation of political power. These analyses provide a basis for Chinese diplomatic strategy. As anticipated by Kim (1994:489), a Chinese specialist, “international forces will manage to manoeuvre among various political groupings, disperse and regroup, and keep changing, in order to adapt to the changing situation”.

Subsequent to a structural change of the international system, another set of changes involves the balancing of forces (*liliang duibi*), a concept similar to 'balance

of power'. For example, China's relationship with Russia and India has changed periodically. Since 2000 China has pursued closer ties with Russia and India, its former protagonists and even enemies. The Leninist assumption that "balance is only relative and temporary but imbalance is absolute and constant", provides the basis for the Chinese emphasis of the tilting of a balance as major cause of the rise and fall of major powers. If the principle of *liliang duibi* is not assessed and applied, Chinese diplomats would be unable to adjust foreign policy accordingly (Jisi 1994:489). The flexible adaptation to changes needs to be made for the purpose of securing Chinese national interests.

Therefore, by flexibly adapting to changing situations, Chinese diplomats can ensure the enhancement of China's national interests at highest level. As a result, a changing international situation would not render China's foreign policy irrelevant.

4.2.5 Flexibility in the application of inaction

The dictum that 'inaction is better than action' is a diplomatic precept that China has inherited from ancient times. It is, in some respects, a precept that is foreign to the Western mind, but it is value for diplomacy is timeless. For example, since the end of the Cold War, the collapse of the Soviet Union and the emergence of China as a major power of the first order, China is not anxious to replace the former Soviet Union as a global counterweight to the US. Although China objects to US unilateralism and what is perceived to be its global hegemony, the Chinese government is not willing to engage the US in direct confrontation, especially since it relies on US capital, investments and markets.

The strategic approach of China is to opt for 'inaction' in its relationship with the US government on sensitive issues, especially as a way of 'buying time' in order to focus on its own growth and transformation. This is evidenced from China's diplomatic manoeuvring before and during the Iraq War. China did not initially oppose some of the draft resolutions against Iraq that were proposed by the US in Security Council. China also publicly expressed the hope to establish a "constructive partnership" and to develop "constructive and cooperative relations between the two countries" (Jiaxuan 2005). The principle of 'inaction is better than action' is, however, applied in a flexible manner. Chinese diplomats still try to 'enlarge' the country's activities in

less sensitive areas such as Africa and South East Asia. In these instances the change of attitudes and ways of conduct depend on the concrete circumstance of each individual case and are applied in a manner that would not cause problems for China's relationship with the US. Since China's foreign policy is currently in an 'enlargement' phase, the possibility exists that the principle of 'inaction' might no longer be applied in future, even to the US, should the balance of power configuration substantially change in China's favour and should China become a superpower in the true sense of the word.

4.2.6 A modern negotiation style

Negotiation in international politics, as Berridge (1995:119) indicates, is generally considered to be a technique of regulated argument, which normally occurs between delegations of officials representing states, international organisations or other political actors. It takes place with a view of achieving one or other of the following objectives: the identification of common interests and agreement on joint or parallel action; the recognition of conflicting interest and agreement on compromise; and searching for mutual benefits in cooperation. Negotiation, therefore, is one of the most important functions of diplomacy.

Cultural differences undeniably exist between Chinese and other societies and it is obvious that these differences have some impact on their respective styles of negotiation. The point is that under different circumstances the Chinese, like almost all other negotiators, negotiate or 'deal' in different ways and exhibit a variety of negotiating styles. These styles may vary depending on the subject matter under consideration (e.g. security, trade or sport); on the circumstances (also considering the importance of the negotiations to the Chinese, their familiarity with international norms and patterns of negotiation, and the state of their domestic politics);on whether the forum is bilateral or multilateral and the subject political or technical; on the state of relations between the negotiating parties (e.g., depending on the importance of the overall relationship, whether they are adversarial, friendly, 'superior or inferior'); on the period in Chinese political history when the negotiations occur; and on the personalities of negotiators on both sides.

Some diplomats from foreign countries have at times described the Chinese negotiators as forthright and honest, and willing to put forward their own proposals first when requested to do so, especially if the subject is straightforward and non-problematic. In contrast, others have at times described the Chinese negotiators as unyielding, faceless, uninterested in building 'friendship', insistent that any dispute be resolved by the Chinese and not by international mediators, and consistently adopting a 'superior' attitude (Kreisberg 1994:469-471). There is, however, some evidence that this negotiating style has significantly been modified at present. However, in general, the diplomatic characteristics of Chinese negotiating style can only be judged according to the following prominent characteristics thereof.

4.2.6.1 The traditional negotiating style

In describing the earlier or traditional Chinese negotiating style, Kreisberg (1994:454) emphasises some elements that were different from those Westerners were accustomed to. This includes the Chinese use of principles to narrow the framework of negotiation; Chinese patience; the impenetrability of Chinese bureaucracy; Chinese efforts to impose a sense of 'guilt' or obligation on opponents; the parallel use of 'friends' and 'friendship' to lure counterparts to concessions they might not otherwise make; and the requirement that negotiating partners make their positions known first.

Solomon (1987:57-58), in a study of the Chinese political negotiating style, indicates that individual elements of the Chinese negotiating process were similar to those of other countries, but insisted that the overall atmosphere of negotiations with the Chinese was different. He also mentions Chinese efforts to use friendship and impose guilt on their adversaries in negotiations; their emphasis of principles rather than details; their emphasis of how important it is for Western negotiators to overcome their urge to seek quick results; and the need to remember what had been said in earlier negotiations. Chinese diplomats use trusted intermediaries to convey major changes in their position rather than to 'lose face' by being directly involved and rejected. The Chinese also use generosity and 'gratuitous' concessions to strengthen a relationship and they expect similar gestures from their counterparts.

Kreisberg (1994:454) notes that the Chinese prefer to negotiate at home in China, rather than abroad, thereby facilitating the use of negotiating tactics such as cultural isolation, the pressure of time, and even the foreign nature and blandishment of Chinese food and entertainment. Until the 1970s, most of these characteristics were very conspicuous in Chinese negotiating practices with Western governments and in parallel commercial negotiations. During this period very few Chinese other than specialised diplomats had studied or lived abroad. As a result, only a few were familiar with Western negotiating behaviour, with Western legal norms and practices; and with business and investment institutions (Stross 1991:32).

4.2.6.2 The contemporary negotiating style

The most important change affecting Chinese negotiators is China's integration into the globalising world economy and the country's increasing dependence on international trade, capital, and technology. China's economic but also its political interdependence with other states has greatly expanded, and Chinese familiarity with international legal norms and practices has also increased. Recently, many of the characteristics of the traditional Chinese negotiating style have changed. As a result the Chinese negotiating style has adapted and has become remarkably similar to contemporary negotiating practices, with the result that it is becoming increasingly difficult to distinguish the Chinese style from those of other (Western) countries, especially where commercial negotiations are concerned (Kreisberg 1994:472-473). Chinese negotiators are now more active, business-like, professional, and flexible. Chinese diplomats who regularly resorted to political or ideological diatribes or lectures in political negotiations – this being one of the notable characteristics of the traditional Chinese style of earlier years – now rarely do so.

On economic, commercial, and technological issues, the Chinese are increasingly adapting to and accommodating common negotiating standards and norms. Even on political issues the old patterns designed to put opponents on the defensive do not exist any more and the axiom applies to Chinese negotiators that since "you are responsible for damage to the relationship, your wealth and technological sophistication require you to help China develop". (Kreisberg 1994:475). Accordingly,

as a residual effect of globalisation and marketisation, Chinese diplomats have adopted more pragmatic views and approaches to the 'game' of international politics.

Considering the specifics of the Chinese negotiating style, it is necessary to emphasise the theme of 'friendship'. Good relationships are central in Chinese culture as a way of 'getting things done'. The Chinese prefer dealing with people who "know and understand as much about China as possible, rather than those who are ignorant of Chinese ways and views" (Solomon 1987:31). Being a Chinese 'friend', whether as a state or an individual, often means accepting or at least not opposing Chinese views, or contributing in some concrete way toward objectives – thus contributing to trade, investment, political goals and cultural interactions of importance to China or the individual in question.

Kreisberg (1994:459) emphasises that it is clearly part of the Chinese negotiating style to sway opposing negotiators towards their side or cause by defining the negotiating relationship as one between friends. A real friend is expected to assume certain obligations; to be supportive, sympathetic and helpful by avoiding trouble in mutual relationships; to support friends when they are under pressure; to grant favours; and to accept that cooperation should be based on mutual benefits. In recent years, negotiations among and with individual countries are mostly facilitated by 'friendships'. What is striking about Chinese use of 'friends' and 'friendship' in negotiations is that Chinese diplomats make such an explicit issue of it.

According to Solomon (1987:9-12), the notion that 'you need us, we don't need you', no longer exists as a negotiating tactic. Indeed, it has virtually been reversed as Chinese diplomats have made concerted efforts to seek investments, trade, credits, and diplomatic support from countries in all areas of the world. Moreover, globalisation has resulted in a situation of complex interdependence among states that has reached a level where no-one can say 'we don't need you'. Also, according to Solomon (1987:12), "criticizing one's friends for not doing enough to help China" is an approach that has had little effect and has gradually diminished in importance. Since 2000, this method has become irrelevant in a context where China's economy has made a quantum leap to become one of the main drivers of global economic development.

China's former negotiating tactics such as the 'exertion of time pressures on adversaries' and 'insistence on negotiating in China rather than abroad' have declined sharply both in use and in effectiveness, especially in the contemporary globalised environment. It nevertheless still holds true that the Chinese often wait until the last minute to make concessions or to indicate their positions. In commercial and trade negotiations, the Chinese negotiating style has changed as well and many negotiators are of the opinion that the Chinese are now less ambivalent and more clear about what they want than was previously the case (Kreisberg 1994: 473).

In the past, negotiations were often constrained by the bureaucratic character of decision-making in China. Layers of approval had to be obtained and discretion was rarely permitted. The Chinese negotiators rarely changed their positions on the spot or came prepared with a clear range of 'fall back' positions that they could set forth without reference or consultation. Indeed, Western negotiators often had greater discretion on most issues. Chinese negotiators constantly had to refer matters back to their political seniors and bureaucratic superiors, for guidance and even decisions, when new or changing issues and positions arose. In recent years the Chinese have made efforts to improve the coordination of policy. Within government, there are established echelons of committees which include all interested parties and stakeholders – finance, defence, technology, manufacturing, trade, foreign ministry – channelling up to vice-premiers, the premier, or the Politburo. Within this context the negotiation process is made more effective and faster (Kreisberg 1994:475).

In dealing with neighbouring states with whom there are deep-rooted historical links and (negative) memories, particularly on political and security issues, older and more traditional negotiating patterns still apply. The reason is that in respect of a range of issues of vital importance to the survival of the Chinese regime (as in government) – such as sovereignty, territory, human rights, military security – decision-making remains extremely tightly controlled by the older generations of leaders or officials whose approaches to negotiations and policy have not changed. Chinese negotiating style, therefore, continue to be an amalgam of traditional and modern patterns (Stewart & Keown 1989:69).

In general, as more Chinese officials travel abroad, deal with officials and politicians in other countries, study at foreign universities, encounter the complexities of

multilateral negotiations on issues requiring great expertise, the Chinese negotiating style has become increasingly similar to what is familiar in Western terms. Chinese negotiators have been granted the freedom to enter into more discussions on more issues. The influence of Chinese negotiators from elsewhere in 'Greater China', such as Taiwan and Hong Kong, and even Singapore, with their broad experience of international negotiations, has increasingly enriched the negotiating style of the PRC's officials. This modern, diversified and effective style of negotiation has assisted Chinese diplomacy to pursue goals and objectives with a greater measure of efficiency (Kreisberg 1994: 477).

4.3 THE DIPLOMATIC STRATEGIES OF CHINA'S 'NEW DIPLOMACY'

Diplomatic strategies are long-term plans of action, including the use of specific methods, to achieve foreign policy goals and objectives. This section considers the following aspects that are indicative of China's diplomatic strategies in pursuit of its national interests, namely the emphasis of partnership, friendly gestures, peaceful development, economic diplomacy, multilateral diplomacy, the moral high ground and specific diplomatic tactics.

4.3.1 Emphasis on partnership

Harding (1994:380) divides China's bilateral relations of a cooperative nature into three groups: Firstly, China's links with wealthier and more powerful benefactors; secondly, its strategic and economic ties with smaller and weaker clients; and thirdly, its more equal but less intense relationships with a large number of foreign partners.

The 'benefactor' relationship (the giving and receiving relationship between a powerful country and its weaker ally or protégé) refers to a particular Chinese relationship with other countries with which China had links in the past (such as the former Soviet Union). With the upsurge in its economy and its more pragmatic views on international politics and diplomacy, the Chinese now understand more than ever before that a partnership is the best option for them in cooperative relationship with any country. Since 2000, the notion of benefactors (and clients) has become less relevant and has been replaced by that of a 'partner' and 'partnership'. Accordingly, at the opening ceremony of the Fourth Asia Cooperation Dialogue (ACD) Foreign

Ministers Meeting in Pakistan in 2005, Chinese Prime Minister Wen Jiabao stated that "(a)ll countries, whether big or small, rich or poor, should be equal partners. Mutually beneficial and win-win cooperation is our goal" (PRC MFA 2005).

The 'client' relationship, according to Harding (1994:380), included China's former relations with all its so-called client states (e.g. Albania, Tanzania and Cambodia) and was characterised by an unusual blend of intimacy and distance. In some ways, China treated them with both effusiveness and generosity. Concerning the 'intimacy' of the client relationship, China's 'clients' were traditionally given pride of place at the formal presentations of Chinese foreign policy to the UN and to the Chinese National People's Congress; they were listed as the countries with whom the Chinese government had the closest ties; and they were granted the greatest measure of Chinese support. Visiting officials and delegations from China's clients received elaborate ceremonies in their honour, audiences with China's most senior government leaders, and extensive coverage in the official Chinese press. China's clients were also the principal beneficiaries of China's economic assistance programmes, and received the preponderance of China's military assistance.

Concerning the 'distance' of the client relationship, it also reflected China's deep-rooted desire to avoid entangling international commitments to clients (as well as to benefactors). China could be effusive in its rhetorical and symbolic support and generous with its economic and military assistance, but did not wish to assume binding obligations to provide continuing material aid to its clients, or even to consult with them in advance when considering changes in its own foreign policy. For example, as early as 1984 Hu Yaobang, Secretary General of the China Communist Party, told visitors from Yugoslavia that forming alliances "would probably hinder or at least affect our efforts to make more friends", might "hinder China's resistance to impermissible actions on the part of its allies", and would possibly permit China's allies to "make use of the alignment to oppose other friendly countries". Thus, Hu said, China's refusal to enter into alliances with other countries, including those in the Third World, was a "long-term policy decision which enjoys nationwide support" (*Beijing Review*, 28 May 1984). In its relations with its clients, as with its benefactors, China had demonstrated its desire to preserve its independence and flexibility to the greatest possible degree.

As the third and only modern category of China's cooperative relationships, 'partnership' refers to relations with those countries with whom China has mutually beneficial economic, diplomatic, cultural, and even military connections, but without the special intensity that characterises China's relations with either its clients or its benefactors. Compared with the other two types of cooperative relations, China's international partnerships tend to be relatively egalitarian and even routine. China's international partnerships are increasingly based on pragmatic commercial considerations. China's search for foreign markets, technology and capital is increasingly the motivating force behind its international partnerships; a factor paralleled by other countries' interest in China as an export market or as a site for foreign investment. Because partnership lacks the intensity that characterises ties with benefactors and clients, and because partnership is based on shared interests rather than being rooted in a 'united front' against some common adversary, China's partnerships tend to be relatively stable (Harding 1994:396-397). Also, since China's partnerships are no longer defined as aligning against a common enemy, they are less likely to be disrupted by strategic shifts in Chinese foreign policy. As China's economic relations in the Asia-Pacific region expands, it will continue to forge a wider range of partnerships. Admittedly, at times, some of these partnerships will develop competitive or even conflicting overtones.

4.3.2 Emphasis on friendly gestures

Since taking office early in 2003, Premier Wen and President Hu Jintao have been presenting China as a benign emerging nation that is willing and ready to cooperate with others to manage and resolve international problems. Within Asia, despite historical misgivings about Chinese power, the country's growing capabilities as the driving force behind regional economic growth has helped China to increase and strengthen its diplomatic influence. This is supported by the use of gestures of friendship by a 'kinder and gentler' PRC. For example, in 2003 China signed a *Treaty of Amity and Co-operation* with the ten-member Association of South-East Asian Nations (ASEAN), the first non-South-East Asian Nations country to do so.

In Central Asia, China has promoted a relatively new security forum, the Shanghai Cooperation Organisation, aimed at strengthening border security and countering Islamic extremism (and also, some suspect, aimed at countering Western influence in

the region). In North-East Asia, China also has won much support, even from the US, for hosting the 6-party talks aimed at resolving the nuclear issue in North Korea. China also initiated the idea of turning the grouping into a permanent forum to deal with broader security issues in the region (Stratfor 2003(c), 20 September 2003).

China has also issued a number of White Papers, participated in joint military exercises and UN peacekeeping missions, and has signed international arms treaties to improve and demonstrate transparency in its foreign policy and to forge a more positive global image (Stratfor 2003(c), 20 September 2003). Through economic initiatives and developmental projects, such as the Mekong Subregional Economic Cooperation Program – a project to promote closer ties between China and nations on the Indochina peninsula (Vietnam, Laos and Cambodia) – Chinese diplomacy is used to indicate that its growth is not necessarily detrimental to its regional neighbours.

The 'kinder and gentler' image that the Chinese diplomats are now projecting derives not only from what they do, but also from what they do not do. The Chinese rarely lead opposition campaigns against opponents like the US, but when opportune moments arise, the Chinese join their allies and work quietly and energetically in the background. China arguably had much to lose from the US invasion of Iraq, because of its dependence on foreign oil and its strategic competition with the US in Asia. However, in its diplomacy it left the vocal protests and activist opposition to the Germans, Russians and French (Stratfor 2003(c), 20 September 2003). Even so, there are some indications that the US is not pleased with the diplomatic inroads China has made in Asia. In 2004, James Kelly, an American Assistant Secretary of State responsible for the region, stated that in some areas China was 'aggressively' challenging the *status quo*. Some bipartisan reports by the US Congress also raised similar fears (*The Economist*, 2 July 2004). However, China has not directly challenged US power but has sought to avoid confrontation despite considerable misgivings about alleged US unilateralism and deep-rooted differences over a range of issues, including that of Taiwan and human rights violations.

The Chinese approach of friendly gestures not only corresponds with but also supplements the principle and subsequent strategy of 'peaceful development'. The aforesaid actions and China's strategy of 'peaceful development' underpin the new

Chinese diplomatic style that differs substantially from the revolutionary diplomacy of the past and also from the preference for 'power politics'. China's understanding of the concerns of others and its responses to these concerns indicate that its diplomacy has matured considerably over the past decades.

4.3.3 Emphasis on peaceful development

Making statements or announcements is part of the art of diplomacy (Satow 1979:3). It is a sophisticated art, because diplomatists need to know how and when to make these statements and especially to convey what they mean. In order to secure the support of others, China, like all countries, is concerned about what other countries think of it. The country's rapid economic growth in recent years has raised the question: How can China deal with foreign concerns, especially in Asia and the West, that the country's economic strength will one day encourage it to assert its power aggressively, or even militarily?

In Hainan, during November 2003, delegates to the Boao Forum, an economic conference attended by several Asian leaders, were informed by a senior Communist Party official that "our choice can only be to *strive to rise*; and what's more, this is a *peaceful rise*" (*The Economist*, 2 July 2004). The term 'peaceful rise' was formulated at the Central Party School, the training ground for senior leaders, in response to the so-called 'China threat theory'. However, it appears that the term 'peaceful rise' might actually play into the hands of China's critics. Some political analysts questioned whether it is appropriate to use the word 'rise', since it might cause the wary to draw parallels with the rise of Germany or Japan in the 1930s. The history of the last century suggests that the rise of major powers inevitably leads to conflict with other powers. It is therefore argued that the peaceful rise notion could be interpreted as a hidden threat and that "should the world not recognize China's new status, runs the implication, an upswell in Chinese nationalism will result" (*The Economist*, 2 July 2004).

Some Chinese officials and leaders have also appeared unenthusiastic about the concept. For example, the Chinese President Hu, did not use the word 'rise' despite using the words 'peace' or 'peaceful' several times in an address to the Boao Forum in April 2004. This point was noted by the official news agency, Xinhua (*The Economist*, 2 July 2004). To make the term 'peaceful rise' more palatable, Chinese

officials now state that China's rise could take generations. Thus, a definitive meaning of the concept could take just as long to emerge.

Instead of the phrase 'peaceful rise', China's premier Wen Jiabao recently emphasised the term 'peaceful development' at the opening ceremony of the fourth Asia Cooperation Dialogue (ACD) Foreign Ministers Meeting in Pakistan on 6 April 2005 (PRC MFA 2005). Amongst others, he declared that "(w)e try our best to avoid making trouble for others and have made tangible achievements. China follows the road of peaceful development and aims to strengthen friendship with our neighbouring countries, which have helped create a favourable external environment for the domestic construction of China" (PRC MFA 2005).

Fundamentally, China's pursuit of the peaceful development approach is based on the objective needs arising from its commitment to modernisation. Over more than 20 years, China's pursuit of peaceful development has not only contributed to its own economic and industrial development, but has also generated opportunities for other countries in the region and has promoted peace and development in the region and the world as a whole. Thus, according to Premier Wen, "(w)e will continue to expand and intensify cooperation with all other Asian countries. All countries, whether big or small, rich or poor, should be equal partners. Mutually beneficial and win-win cooperation is our goal" (PRC MFA 2005).

It is therefore China's argument that adherence to the 'Five Principles of Peaceful Coexistence' and a reinforcement of dialogue and consultations contribute to resolving contradictions, building common consensus, and appropriately addressing problems that are the legacy of history. The 'Five Principles of Peaceful Coexistence' were first raised by China's Prime Minister Chu en lai at the Bandung Conference, 1957. The five principles are firstly, mutual respect for and recognition of sovereignty and territorial integrity, non-aggression and non-interference in internal affairs; secondly, the peaceful settlement of international disputes; thirdly, that all the countries in the world should enjoy equal sovereignty; fourthly, respect for the national conditions of various countries and to seek common ground while shelving differences; and finally, mutually beneficial cooperation and common development (PRC MFA 2003(d)). Accordingly, China provides assistance to other countries in a sincere and selfless manner "without any political conditions attached" (PRC MFA 2005).

Along similar lines, Tang Jiaxuan, the State Councillor of the PRC, stated in his meeting with the US-China Business Council in Washington on 27 July 2005 that "China sticks to a path of peaceful development. In essence, it means that China wants to capitalise on world peace to develop itself and better safeguard and promote world peace with its own growth. In the world arena, we will continue to pursue an independent foreign policy of peace and commit ourselves to world peace, common development and mutually beneficial cooperation" (Jiaxuan 2005).

Therefore, China attempts to establish a consensus amongst the members of the international community that its development presents an opportunity and not a threat to the world. In this respect Chinese diplomacy emphasises that 'peaceful development' is one of the preferred ways to reduce the number of threats facing the international community, including that of terrorism, thereby creating a favourable environment for its own development. The notion of 'peaceful development' also counters the perception of a 'Chinese threat', created by some Western analysts. As a strategy, these repeated confirmations concerning a commitment to 'peaceful development', contributes to the development of China's 'new diplomacy'.

4.3.4 Emphasis on economic diplomacy

By emphasising partnership and upholding the principle of 'mutual benefits' when cooperating and 'doing business', Chinese diplomacy has actively assisted its business community to expand their markets in Asia, the Middle East and Africa, and has at the same time reduced some of the concerns of the countries in these regions about doing business with China.

Since marketisation (free market initiatives) is the driving force of the processes of globalisation, economic factors play an increasingly important role in diplomatic activities. In a world of economic competition, economic security is vital to the stability of the state. Therefore, diplomacy as an instrument of state, must consider the advancement of economic activity as one of its main responsibilities. Thus, to a large extent, economic diplomacy has become a core focus of diplomacy and a priority for diplomats.

From 1949 to the late 1970s, the diplomacy of the PRC focused mainly on serving China's national interests on political and security issues. As a result, and not unlike most major and regional powers at the time, Chinese diplomacy exhibited very strong political and security nuances that were highly ideologised. The reform policy introduced during the 1980s opened China up to the world and allowed it to attract a great deal of foreign investment, technology and assistance that were vital to China's development (Zhao 1996:43-46). After three decades of reform, China's economy has now reached a level that necessitates not only attracting, but also distributing investment, technology and assistance in order to ensure continuous growth and development. The period since 2000 can therefore be seen as the beginning of a new era – an era or phase of China's economic expansion.

Presently, the Chinese government's first priority is economic development. Chinese diplomacy, as a means of its government and an instrument of its foreign policy, has to support this goal. Consequently, economic diplomacy has become a top priority. This economic diplomacy differs from the 'open door' diplomacy to the extent that its characterised by specific endeavours to attract foreign capital and technologies. It has in fact become a 'new diplomacy of economic enlargement'. This is reflected in China's recent diplomatic manoeuvres to secure foreign oil supplies, to buy foreign companies and multinational corporations, to invest abroad, and to initially lobby for WTO membership and thereafter to act as an influential member.

4.3.5 Emphasis on multilateral diplomacy

In a long -term historical context, multilateral diplomacy is a fairly recent phenomenon of international relations. Although there have been some historical precedents, multilateral diplomacy only developed as a distinctive, permanent and dominant fixture of the international system in the post-1945 era, and has since become a notable feature of the present era of globalisation. The rapid development of global institutions has had a liberating effect, allowing for and contributing to the increased utilisation of this particular mode of modern diplomacy. Forums for multilateral diplomacy are to be found in the proliferation of regional and subregional intergovernmental organisations that have emerged in nearly every region of the

world during the last two decades, as well as in the established global organisations such as the UN, the WTO, the International Monetary Fund (IMF) and the World Bank.

Global and regional issues and problems of undoubted complexity are increasingly being referred to multilateral forums since no single country can deal with these issues on its own. These common issues that are subject to multilateral treatment range, amongst others, from trade negotiations, to conflict management, to peace support operations, to arms control and disarmament, to terrorism, to socio-economic growth and development, to the preservation of the environment, and to health. The multilateral forums provide the framework and opportunity for multilateral diplomacy in order to resolve and manage these issues. China, similar to most other countries, considers multilateral diplomacy to be just as important as bilateral conduct and supports its use since it "stands for stronger multilateralism" (Li Zhaoxing 2005).

Up to the 1970s, the behaviour of China in international organisations was generally marked by a discrepancy between normative activism and participatory aloofness. True to its moral regime, the Chinese government had shown greater interest and participated more in general debates on principles, thereby avoiding many of the functional committees and subsidiary bodies of international organisations (Kim 1994:409). Presently, China is actively playing a more prominent role, amongst others in the UN, by voting along with the majority of developing countries, commenting from main forums, or periodically calling on the UN to respond to a conflict situation. China publicly presents its role in the Security Council as the only developing country among the permanent members, supporting the cause of the developing countries. China has also refused the leadership of this group of countries, thereby providing credibility to its pledge not to act like or be seen to be an international hegemon (Kim 1994:409).

Initially, China preferred a bilateral approach to security issues and was sceptical about multilateral mechanisms. There are two reasons for this predisposition, namely firstly, its fear that multilateral security mechanisms (for example, the ASEAN Regional Forum – ARF) may become an anti-China alliance; and secondly, its unfamiliarity with multilateral security mechanisms (Goh & Acharya 2002). China's position has since changed with the establishment in 1996 of the Shanghai

Cooperation Organization, which also focuses on security cooperation. Based on a Chinese proposal, this organisation initially consisted of China, Russia, Kazakhstan, Kyrgyzikstan, and Tajikistan. In June 2001 Uzbekistan became the sixth member of the organisation. At present, China regularly participates in ARF meetings, held back-to-back with the annual ASEAN ministerial meetings.

Another major shift in China's position on multilateralism is evident from its role in the 6-party talks on Korea. So far Korean unification has remained a major obstacle to peace and stability in East Asia. In the past, China had been reluctant to participate in multilateral peace negotiations as it feared that talks would adversely effect Sino-US relations. In August 2003, however, China initiated the peace talks in Beijing with the participation of the two Koreas, the US, Japan and Russia. (*Asia Times*, 31 October 2003). The US is also eagerly pursuing China's assistance in dealing with North Korea. In this respect the Chinese government demonstrates its importance to the US and the rest of the world as a key player in global politics. By building on this image, China gains greater leverage in dealing with less powerful nations and also asserts its role as an emerging superpower.

The definitive characteristic of China's multilateral diplomacy is that it has emerged as an independent actor in global group politics. It has acclaimed itself a veritable Group of One (G-1) by refusing to join the two leading Third World caucuses – the Group of 77 developing countries and the Non-aligned Movement (NAM) (Kim 1994:407). In both the IMF and the World Bank, China has refused to join the Group of 24 – more formally the Intergovernmental Group of Twenty-Four on Monetary Affairs, consisting of Third World member states of the IMF. Instead, the Chinese government has succeeded in constituting itself as a 'China is China' single-country constituency with its own Executive Director on the Board of Directors of the World Bank. Likewise, China has also refused to join Organization of Petroleum Exporting Countries (OPEC), the prominent oil cartel of the Third World. Despite all the oscillations of its Third World policy since its entry into the UN in 1971, the PRC's firm stand as a self-styled independent G-1 in global group politics remains (Kim 1994:407).

In conclusion, Chinese diplomacy has long been asserting "China does not determine its closeness with, or estrangement from, other countries on the basis of

their social systems and ideologies" (Zhao 1986:xviii). It follows logically that by adopting a balance-of-power approach in Chinese terms to protect Chinese interest, the present Chinese multilateral diplomacy pursues a 'balancer' role in world politics. The Chinese government realises that "China has become a force to be reckoned with in the world arena, and [its] alliance with any superpower might affect the strategic balance of the world and be harmful to the stability of the international situation" (Jisi 1994:478). At present, it is evident that China does not prefer any type of alliance with any country. However, China seems to be able to promote and diversify its relationships with other powers in multilateral institutions, in order to balance the influence of any single power, be it regionally or globally. China therefore assures its support for a multipolar world and multilateral diplomacy.

4.3.6 Emphasis on the moral high ground

China's statements on foreign policy and international issues have their roots in both Marxism and the traditional Chinese philosophy and culture. The principles China advocates suggest that the PRC adopts a moral foreign policy in the world and that it has an own 'moral style' of diplomacy. The Chinese government and diplomats insist that they always act in accordance with 'high principles', that is in accordance with settled norms and ethical principles in foreign affairs, even though others might think they are merely being pragmatic. This refutes the notion that in "other societies, and particularly in the United States, it is customarily believed that having to adhere to high principles works against one's material interests" (Jisi 1994:502). This corresponds with the traditional Confucian view, namely that the principal causal force of history is deemed to be the moral conduct of leaders. It means that if leaders commit immoral things, the results will definitely be the collapse of their regimes, and *vice versa*.

This emphasis of the moral high ground specifically applies to peaceful coexistence. Chinese diplomats (and international relations scholars) sincerely believe that by upholding the 'Five Principles of Peaceful Coexistence' and by advocating a 'new international political order', they are promoting a lofty cause. 'So long as' everybody abides by moral principles, social evils can be wiped out. 'So long as' states abide by the Five Principles, friendly relations can be developed between them. China's persistent refusal to consider itself to be a superpower and its opposition to great power hegemony, relate to and confirm the notion of peaceful coexistence.

In addition, to live in peace and harmony with others and to honour promises are an important part of China's cultural heritage. This approached is encapsulated by the statement of Li Zhaoxing, Minister of Foreign of Affairs of the PRC, in an article entitled *Peace, Development and Cooperation – Banner for China's Diplomacy in the New Era*, namely that "in its foreign relations, the Chinese nation has advocated cordiality, benevolence, good-neighbourliness and universal harmony … Chinese diplomacy has drawn from its 5000-year-old culture inexhaustible wisdom. Engraved on the wall of the UN Headquarters in New York is the teaching of Confucius over 2000 years ago, often referred to as the Golden Rule guiding state-to-state relations. It reads: Do not do unto others what you would not want done unto you" (Li Zhaoxing 2005).

4.3.7 Emphasis on specific diplomatic tactics

Chinese diplomacy during the Deng Xiaoping era (1980s and early 1990s) was characterised by the so-called 'the 28-character guidance' introduced by Deng in 1989. This was a response to the fact that China was facing economic sanctions from the West after Tiananmen incident, and also that it had to contend with the implications of the disintegration of the former Soviet Union and the collapse of the Eastern European bloc. The diplomatic tactics emanating from these guidelines, which are still applicable and used by contemporary Chinese diplomats, include the following seven phrases (Zhao 1996:48-50):

- *Leng jing guan cha* – watch and analyse (developments) calmly;
- *wen zhu zhen jiao* – secure (our own) positions;
- *chen zhe ying fu* – deal (with changes) with confidence;
- *tao guang yang hui* – conceal (our) capacities;
- *shan yu shou zhuo* – be good at keeping a low profile;
- *jue bu dang tou* – never become the leader; and
- *you suo zuo wei* – make some contributions.

In Deng's address to leading members of the CCP Central Committee in 1990, later published under the title *Seize the Opportunity to Develop the Economy*, he

explained this approach: “Some developing countries would like China to become the leader of the Third World. But we absolutely cannot do that – this is one of our basic state policies. We can’t afford to do it and besides, we aren’t strong enough. There is nothing to be gained by playing that role; we would only lose most of our initiative… We do not fear anyone, but we should not give offence to anyone either” (Xiaoping 1994:350-352). As has previously been pointed out, China still has no intention to be the leader of any group.

This strategy has been summarised as the ‘four *bu* and two *chao*’ (Xiaoping 1994:350-352) the key features of which are:

- *bu kang qi* – do not carry the flag (of socialism). China should not seek to replace and play the role of the former Soviet Union, namely the leader for the socialist camp;

- *bu dang tou* – do not become the leader. China also should not become the leader for Third World countries;

- *chao yue yi shi xing tai yin su* – go beyond ideological considerations; and

- *chao tuo* – detach from concrete events (or, try to avoid controversy).

That is to say, in order to concentrate on economic development (or modernisation), China should keep a low profile in international affairs. These precepts indicate that Deng and his followers had a very pragmatic view and approach to international politics. Their tactics hinged on China’s national interests and the undeniable successes of China during the past decades have proved these tactics to be effective and advantageous. As a result, these tactics are recognised by and still applied in China’s ‘new diplomacy’.

4.4 CONCLUSION

It is evident from the aforesaid discussion of Chinese diplomacy that the country has, firstly, enhanced its ability to independently make and implement (foreign policy) decisions. China has actively engaged itself in various international mechanisms and

multilateral institutions in order to manage and resolve global and regional affairs. Its increased independent decision-making provides China the opportunity to pursue and maximise its national interests in a rational and cost-effective manner. However, in the present context of globalisation, this independence differs in some respects from that of the past. In a globalised world, where nations' interests overlap and are interdependent, independence not only pertains to a command of the decision-making process, but also considers and accommodates the interests of other international actors, partners in particular, in order to achieve foreign policy goals and objectives. Independence, specifically in decision-making, remains the basis of China's active engagement in international affairs.

Secondly, by constantly applying 'principled-ness and flexibility' as a 'rule of conduct' in its foreign affairs, China is able to apply the Marxist-Leninist dialectical method to diplomatic practice. On the one hand, in terms of 'principled-ness', China has during the period from 2000 to 2005 been able to keep to the principles of independence, sovereignty, territorial integrity and socialism, whereas on the other hand, it dealt with concrete issue and the solving of problems in a very flexible and pragmatic manner.

Thirdly, the dialectical application of cooperation and struggle has enabled China to deal effectively with most relationships it is involved in or encounters. In Chinese diplomacy, both struggle and cooperation are deemed inevitable and necessary. Chinese diplomacy emphasises the cooperation aspect, while deeming struggle to be essential for further cooperation. Thus cooperation and struggle are seen to be interlinked and mutually supportive.

In the fourth place, by adapting to changing situations, the Chinese leaders and diplomats have demonstrated a sensitiveness to and understanding of the complexities of international affairs. This characteristic is closely linked to the dialectical relationship between 'principled-ness and the flexibility'. When the international situations change as fast as they do at present, foreign policy and diplomacy need to change and adapt to new situations, as is indeed the case in respect of China.

In the fifth place, through the notion that 'inaction is better than action', Chinese diplomacy shows that the best option might be not to act when the country is not

powerful enough to act or if the context for action is unfavourable. Hence China concentrates on developing its capabilities and waits for an opportune moment to act once the situation has changed in its favour. Since 2000 China has effectively applied this guideline, for example during the period preceding the US-led foreign military intervention in Iraq. Consequently China neither supported the war effort, nor did it play a leading role in opposing it.

Finally, China's has changed its negotiation style, thereby aligning it more closely with contemporary international benchmarks and standards. In the process it has avoided rigidity and the imposition of its will by adopting a more active and professional involvement based on the willingness to compromise when necessary. In this respect Chinese diplomats habitually emphasise 'friendship' and mutual benefits in diplomatic negotiations.

The aforesaid analysis also identified China's the diplomatic strategies associated with its 'new diplomacy'. The first strategy is to emphasise partnership. At present, China neither considers any country to be its enemy, nor does it see itself as the protégé of any country. Therefore China considers all countries as partners. China uses this strategy of partnership to reduce the number of potential enemies, in the process also creating the most peaceful environment for economic growth and development. By cooperating for mutual benefit and avoiding destabilising interventions, China believes that it pursues both its own national interests and the common peace and stability of the Asian region.

The second strategy is to emphasise friendly gestures. In response to the Western-centric theory of a 'China threat', the political leadership of China emphasises the importance of friendly gestures towards neighbouring countries. Amongst others, Chinese leaders do this in the form of speeches that denounce and oppose the 'China threat' theory.

The third strategy of 'peaceful development' basically has the same purpose as and is inextricably linked to the other two strategies. In this respect 'peaceful development' is differentiated from the notion of 'peaceful rise', since 'rise' denotes the need for and actions to effect change that may produce insecurity amongst other countries and uncertainty about China's true intentions.

The fourth strategy prioritises economic diplomacy within Chinese diplomacy. When political relationships with most other countries are stable, the main requirement is to use these relationships in support of and to promote economic development. This strategy is obviously linked to China's economic development as one of its most significant policy objectives at present.

The fifth strategy emphasises multilateral diplomacy, and has its roots in the realisation that in a globalised world no country is able to deal with global issues on its own. By actively joining multilateral institutions and entering into multilateral associations, all countries including China will be able to ensure and sustain their interests, roles and influence..

Finally, it is China's strategy to emphasise the moral basis of its foreign policy and diplomacy. China vows to oppose hegemonies, injustice and unjust war and to promote and support peace. As indicated, in this respect the phrases of *kang qi*, *bu kang qi*, *chao tou*, etc., are emphasised.

Evidence has been provided of the most prominent characteristics and salient strategies of China's 'new diplomacy'; characteristics and strategies that are inextricably linked to China's present developmental needs and demands. Hence the next chapter will assess the extent to which these characteristics and strategies form the basis of, manifest in and are reflected in case studies concerning China's 'new diplomacy' in practice.

CHAPTER 5

THE 'NEW DIPLOMACY' OF CHINA IN PRACTICE

5.1 INTRODUCTION

This chapter focuses on four foreign policy case studies of China's 'new diplomacy' in practice. Based on the determinants of the PRC's diplomatic power or 'currency', the emphasis is on how the PRC's 'new diplomacy' is used in respect of contemporary events and foreign policy issues, and on how the characteristics and strategies thereof direct China's foreign policy behaviour. The aim is to indicate the diplomatic methods (or modes) used by the PRC to implement its foreign policies and the correlation thereof with its 'new diplomacy'.

5.2 CHINA'S 'NEW DIPLOMACY' IN PRACTICE

Diplomatic practice involves what a state or its diplomats do in practice. Therefore, in order to determine the extent to which the characteristics and strategies of China's 'new diplomacy' manifest in diplomatic practice, an analysis has to be made of representative case studies. During the 2000-2005 period, Chinese diplomacy has focused on and involved several foreign policy issues. However, for the purposes of this analysis, four are considered namely China's oil diplomacy, the Iraq War (2002/3), the Taiwan issue and UN multilateralism.

5.2.1 China's oil diplomacy

Since the early 20th century, the history of oil as an energy source and that of international relations have become inextricably interlinked. For more than a 100 years the issues of access to, and control of the oil resources of the world have had a major impact on foreign policy and diplomacy of Western powers in particular, but also on those of countries such as Japan, Russia and the PRC. In a dual sense, oil plays an important role in international relations. Firstly, as an energy related foreign policy issue that pertains to resource scarcity, the politics of oil directly impacts on and influences inter-state relationships at a geostrategic level. Secondly, as a multinational commercial enterprise involving multinational corporations (MNC) that

are involved in the production and distribution of crude oil and refined oil-based products, the economics of oil is directly affected by the domestic and foreign policies of those states within which MNCs operate or with whom they have engaged. Since the turn of the 21st century, the supply of oil has become a key issue in the development and foreign policy of China, mainly on account of a dramatic increase in the country's demand for and consumption of energy. As a result China has become part of and has started to play a more influential role in the global politics of oil and has subsequently developed what can be termed its own 'oil diplomacy'.

Oil diplomacy is a complex and multifaceted phenomenon and is characterised by extensive links, on the one hand, between commercial enterprises and their commercial interests and state actors and their national interests, and, on the other hand, between the influence and responsibilities of states and MNCs respectively (Venn, 1986:9). Throughout history, oil has often been used as leverage or an economic instrument of foreign policy, as was the case when the so-called 'oil weapon' was used by oil producing countries in the 1970s following the Israel-Arab conflict. Undoubtedly the desire to secure guaranteed access to oil reserves, or to protect the interests of the major oil companies, has often shaped the foreign policy of the major powers. In this respect US foreign policy since the 1970s serves as the primary example. However, it would be an over-simplification to view oil (and petroleum products) and the oil companies as the main driving force behind a state's diplomacy. Nevertheless, how governments perceive each other's actions, objectives and priorities, and what they envisage to be in their own national interest, play a significant role in the evolution of their respective oil policies. Hence it is vital to understand the broader foreign policy context and specific policy objectives that affect the nature and conduct of oil diplomacy. (Venn, 1986:12).

When problems arise in oil companies' dealings with host governments, the companies tend to turn to their parent governments for diplomatic assistance and intervention. There have been many occasions when oil companies have been persuaded by their parent governments, against their own wishes, to take action deemed to be in the national interest. For most countries, oil has become too vital a commodity to allow oil companies to handle the matter on their own. For example, a recent offer (in 2005) of China's National Offshore Oil Corporation (CNOOC) to buy

the US firm Unocal (the ninth largest oil company in the US) at a higher price than offered by the US company Chevron, was refused due to the US government's geopolitical concerns about China gaining a foothold in the US oil industry, rather than on account of Unocal's financial calculations and prospects (Stratfor 2003(b), 17 April 2003).

Its recent economic growth has forced China into a new phase of development. The greater demand for energy and natural resources for its domestic development requires the external enlargement of its markets, obtaining and transferring new technologies, and securing its oil supply. With the US military presence in Iraq since 2003, China has developed a new sense of urgency to extend its influence in other oil producing parts of the Middle East, Africa and Latin America, while simultaneously decreasing its dependency on Middle Eastern oil (considering that oil from Middle East accounts for 60 percent of its imports) (*The Economist*, 21 June 2005). The Chinese government has thus come to recognises that foreign investment, particularly in the oil and gas sectors, translates into geopolitical influence (Chan 2006(a)). Therefore, Chinese foreign policy goals and objectives, more specifically its national security interests, are intimately linked to its ability to fuel economic growth and sustain its economic development.

In order to cope with this new situation, China has recently embarked on several diplomatic initiatives (e.g. summit diplomacy, high-ranking visits and the signing of agreements) to access and secure foreign oil projects in the Middle East (e.g. in Saudi Arabia and Iran); in Africa (which presently accounts for 30 percent of its imports); and in Latin America (*The Economist*, 21 June 2005). China even attempts to expand into the US stronghold, for example – as previously referred to – the offer to buy out Unocal. Evidence is also emerging about the extent and nature of China's involvement in Africa. It is claimed that China "has in the span of a few years changed the pattern of Africa's investment and trade" (Smith 2006). Trade between China and Africa has quadrupled since 2000 and China has become Africa's third largest commercial partner after the US and France, and the second largest exporter to Africa after France. As an US official observed, "China has simply exploded into Africa" (quoted by Smith 2006).

China's most senior leaders have made several visits to African countries during the last few years. After Hu Jintao took over as president, China's diplomacy has been transformed from a 'great-nation diplomacy' to an 'oil-nation diplomacy' (Lin 2005). As a result, in January 2004, Hu visited four African states, three of which, namely Egypt, Gabon, Algeria are all African oil exporters. This is indicative of the fact that China's primary interest in Africa is access to energy sources (Smith 2006). Latin America is similarly becoming another destination for China in its global quest for energy, with the Chinese signing a number of accords with Venezuela, investing in largely untapped markets like Peru, and exploring possibilities of oil reserves in Bolivia and Colombia (Forero 2005). In respect of Latin America, China's sights are primarily focused on Venezuela which possesses the largest oil reserves in the world outside the Middle East. The Venezuelan President, Hugo Chavez, and China's Vice-President, Zeng Qinghong, signed 19 cooperation agreements in Caracas in January 2005. These included agreements that promoted Chinese long-term plans to secure a stake in Venezuelan oil and gas fields, allowing China to drill for oil, set up oil refineries and produce natural gas (Lin 2005).

China's oil diplomacy and expansion efforts in other continents are based on two guiding principles. Firstly, a willingness to accept risks and, secondly, a willingness to invest in ways that correspond with its foreign policy priorities and with its aim to extend its global influence. Considering that oil security is one of China's primary foreign policy priorities, the question, in terms of economic diplomacy, is what will Chinese diplomacy have to do in what manner to achieve this goal? The answer to this question, to the extent that it concerns the nature and scope of China's oil diplomacy, is similar to that which can be asked in respect of economic diplomacy. If the purpose of securing oil supplies from abroad for domestic economic development is a primary foreign policy objective, then the expansion into the oil industry through concrete steps falls within the scope of its oil diplomacy.

The main 'tools' or vehicles that are used for this expansion and diversification are China's three main oil companies, namely China's National Petroleum Corporation (CNPC), CNOOC and Sinopec. Since all of these companies are state-owned, they can be considered to be state-based economic instruments of China's foreign policy. This is apart from the fact that as regards economic diplomacy, a privately owned

company or MNC is also considered to (indirectly) be a political actor (Bayne & Woolcock,2003:53). In strategic issues like oil, the activities of non-state MNCs are undoubtedly part of therefore and a reflection of the country's economic diplomacy and more specifically oil diplomacy. In respect of the Chinese state-owned companies, the Chinese government is obviously directing their ambitions, strategic planning and commercial endeavours. This is done not only to ensure, on the supply-side, that imports are adequate to meet the rapidly growing domestic demand, but also to promote and generate and further economic development and expansion.

Though Chinese companies are new and relatively inexperienced in this field, they are active and use the size of their home markets as leverage to secure projects. For instance, in 2002, CNOOC was able to secure natural gas imports from Australia's North West Shelf project for 15 percent less than South Korea and Japan, mainly because the Chinese market for natural gas is so promising (Stratfor 2003(b), 17 April 2003). While Chinese companies are not yet in the same league as their major Western competitors, they are equally ambitious. CNPC has the long-term goal of having its overseas operations account for 70 percent of its total production. To that end, the company has been making major overseas acquisitions throughout Africa, Asia, Latin America, and the Middle East. In 2002, CNPC's production outside mainland China increased by 31 percent to 430,000 barrel per day (bpd), or about 20 percent of the company's total production (Stratfor 2003(b), 17 April 2003). Part of this increase is attributable to increased production at current overseas operations, while the rest is the result of new acquisitions. In 2002, CNPC was engaged in 21 overseas petroleum exploration and development projects in countries such as Sudan, Venezuela, Peru, Indonesia, Canada, Thailand, Myanmar, Turkmenistan, Azerbaijan and Oman. The company has also recently obtained oil exploration rights in Sudan and Syria (Forney 2004).

CNPC's domestic competitor, CNOOC, has the most foreign experience – having first invested overseas a decade ago – and continues to expand its foreign portfolio. To that end the company shocked the world in 2005 with its offer to buy the US company Unocal at US$18,5 billion. This was an unprecedented offer, which was eventually unsuccessful, but it does reflect China's new economic strength and new tactics of economic diplomacy through state-owned oil companies (Lin 2005). Even

Sinopec, China's largest oil refinery, has expanded its overseas operations. As a major advance for Chinese companies, in 2003, Sinopec and CNOOC purchased an 8,3 percent stake each in the giant North Caspian Sea Project in Kazakhstan. This could signal more foreign acquisitions for Sinopec – such as one in Yemen – as it takes the initiative in supplying its own refineries with foreign oil (Stratfor 2003(b), 17 April 2003).

In respect of oil procurement, Chinese diplomacy, especially its oil diplomacy, is becoming more pragmatic. Chinese oil companies are willing to cooperate with any political regime in any country (although this compromises its ethical position to occupy the moral high ground). This has made it easier for China to access assets in the world's more unstable oil markets, Canada's withdrawal from Sudan in 2005 provided China the opportunity to establish operations there (Smith 2006). Chinese oil companies have also taken advantage of deteriorating relations between the Western MNCs and oil-producing countries in Latin America, such as Venezuela and Argentina. China's investments in these regions meet the economic requirement of seeking lower-cost projects, even if this is in higher-risk areas (Chan 2006(a)). Arguably Chinese investments in Yemen, Syria and Kazakhstan have geopolitical overtones, to the extent that they counter the present expansion of a US influence in the Middle East and Central Asia. For example, in March 2003, CNPC signed a 25-year production-sharing agreement with the state-owned Syrian Petroleum Company according to which CNPC would develop Syria's north-eastern Kebibe field, which is situated less than 20 kilometres from the Syria-Iraq border (Stratfor 2003(b), 17 April, 2003).

As indicated, the Chinese government considers economic security to be a primary national interest and therefore a first priority of the country. To this end, China needs to secure future energy supplies. However, this has to be seen against the background of the following geopolitical realities. Approximately 60 percent of China's crude oil imports are from the Middle East, where the US is restructuring the region's geopolitical features. Furthermore, these crude oil imports follow a trade route around India, China's principal regional competitor, before passing through the Strait of Malacca and past Singapore, the US's staunchest ally in Southeast Asia, before finally passing within striking distance of Taiwan, mainland China's 'wayward province' (Stratfor 2002, 13 December 2002). Throughout the entire transport chain, this sea route and the movement of oil tankers are vulnerable to naval intervention.

Due to these geostrategic realities, and since it wants to avoid the use or show of military force to secure its oil imports, China has no choice but to develop a direct land route for its energy imports as an alternative. Consequently, China promotes and supports projects – such as the proposed pipeline connecting Russia's Angarsk oil fields to China's Daqing field and a series of pipelines running east across the Kazakh steppe – that can be justified on the basis of commercial, security and geopolitical imperatives (Chan 2006(a)). In this respect China's official newspaper, the *China Daily* (12 September 2003) earlier emphasised that "(s)ecuring land routes for importing energy is another key issue for the future. As China is projected to import a third of its oil by 2005 and 40 percent by 2010, clearing the transportation bottleneck in the Malacca Strait will affect both our energy security and the sustainable growth of our economy. In the north, we should also push for the construction of the pipeline running through Russia and Kazakhstan to China."

It is furthermore evident that Russia occupies a key position in the Chinese strategy to expand its oil supply network globally. The Chinese government is aware that Russia also has to cooperate with China to improve its own economy, since Western investment in Russia is on the decline. In addition, the increase of a US presence and influence in Central Asia has resulted in a closer Russia and China relationship than has previously been the case. This has also resulted in a preliminary agreement between the state-run CNPC and the Russian oil company Yukos to build a pipeline from Russia's Eastern Siberian region of Irkutsk to energy-starved northwest China (Stratfor 2002, 13 December 2002). In conclusion, China, the world's second largest consumer of oil, has emerged as the leading competitor to the US in its search for oil, gas and minerals throughout the world – notably in Central Asia, the Middle East and Africa. China's diplomacy, therefore, undeniably plays an important role in this competitive relationship.

5.2.2 China's diplomacy on the Iraq War (2003)

To create a context for analysing China's diplomacy during the Iraq War, it is necessary to consider the reasons for the US-led coalition forces attack in 2002. From a realist perspective, there are three main reasons for the invasion of and

foreign military intervention in Iraq. Firstly, the security objective. The major concern of the US in particular is that of its 'homeland' security following the terrorist attack of 11 September 2001, based on the assumption that the Middle East and Iraq in particular could become a safe haven and a stronghold for terrorists. Secondly, the economic objective. This relates to the US's (but also other Western countries') objective to secure access to Iraqi oil production and reserves. Thirdly, the geopolitical objective. This is based on the assumption that it is the US's ambition to ensure that it remains the only superpower (or major power of the first order) in the world, thereby preventing the emergence of other major powers of the first order, especially China. By controlling the oil production and reserves in Iraq, this ambition is supported to the extent that it thwarts similar ambitions of others, including that of China (Stratfor 2003(c), 5 October 2003).

A successful US campaign will undeniably provide the US a stranglehold over oil supplies, stifling China's growth and preventing it from being truly free of US unilateralism. An even stronger US would make it more difficult for the Chinese government to resolve current issues, such as the issue of reunification with Taiwan, to its satisfaction (Stratfor 2002, 13 December 2002). However, if the US were to get bogged down in a protracted war in Iraq and in interminable disputes in the Middle East, this would keep the US focused on a different 'enemy' and distract it away from East Asia. It would also provide China with more room to manoeuvre, and to strengthen its economy, maintain social integrity, and build up a powerful military.

China is therefore more concerned about the long-term ramifications of the war in Iraq than its short-term consequences. John Chan, a Chinese analyst, argues that the Chinese government fears that a US victory would secure both the US's control over Iraq's oil production and reserves, and the US's military dominance of the entire region, thereby significantly reducing China's ability to secure its continuous rapid economic development (Chan 2006(b)). According to most accounts China is expected to become the next major power of the first order, thereby (by implication – since this is not the official Chinese position) replacing the former Soviet Union as a counterbalance to the US. China, however, lacks the military might and the political and economic reach that the former Soviet Union had. This limits China's present

ability to confront the US, also considering that isolating itself from or opposing the US would harm its own economic foundations.

Based on these geostrategic calculations, China initially opposed the war. But, to the US's surprise, it had at least 'shied away' from active attempts to undermine US plans. China therefore sided with France and Russia prior to voting on UN Security Council resolutions, but it was the most conciliatory of the three and the first to hint that it would not veto a measure calling for weapons inspections (Chan,2006(b)). China's position and strategy toward the Iraq War stemmed from its geopolitical thinking, which is distinct from that of the West and deeply rooted in its own history. Five thousand years of Chinese civilization have taught China the lesson that 'inaction often is better than action' especially if you do not have the power to change or control what is inevitable. Let others deal with the new reality while you build your strength; act only if you must, and even then, do so indirectly.

Therefore, China pursued a two-fold strategy concerning the war in Iraq. Firstly, it tried to prevent the war by encouraging others to voice their opposition inside and outside the UN, even while its own anti-war rhetoric was low-key. Secondly, while the US engaged in a major diplomatic offensive, also involving public diplomacy, with most of the world, China was positioning itself as an attractive global market and trading partner (Stratfor 2002, 13 December 2002). Concerning the first strategy, it was China's position that unless UN inspectors found evidence of weapons of mass destruction programs (chemical and/or nuclear), it would continue to oppose foreign military intervention in the country. In this respect Chinese President Jiang Zemin had frequently exchanged views on this position with the leaders of France and Russia, in which he reiterated the Chinese government's desire to see a political solution to the crisis (PRC MFA 2003(b)). Concerning the second strategy, China tried to take advantage of the investment boom it was experiencing. South Korean and other Pacific companies had already invested more in China than they had in the US. China's location – far from the Iraq conflict - made it a prime investment and trade partner for goods and capital otherwise bound for Europe or the US, and the US preoccupation with the war left China as the key Asian regional actor.

During and after the war, China positioned itself both as a reliable US economic partner in Asia and as a nation to which weaker countries could turn. On the one hand, China still needed US investments to support its future economic growth. On the other hand, it quietly pursued its own regional goals, exploiting its geographic proximity and its sympathy for Islamic and non-Islamic nation alike. In retrospect, it can be concluded that China had succeeded in both these diplomatic strategies, also considering that it had no viable or acceptable alternative.

5.2.3 Chinese diplomacy on Taiwan

The Taiwan or 'two Chinas' issue is a legacy of the Chinese civil war (1946-1949). For China, the Taiwan issue is one of identity, economics and security. The fundamental question of a single China – the completion of the communist victory partially won in 1949 – still weighs heavily on the leadership of the PRC. On 1 October 1949, when the PRC was founded, the *Kuomintang* retreated to Taiwan after being defeated. As a result the Taiwan issue is in essence a struggle between opposing ideologies, between the forces for and against division, and between the forces for and against 'Taiwan independence' (PRC MFA, 2000). The ever-present threat of Taiwanese secessionism, coupled with US involvement in the matter, provides the Chinese leadership a powerful tool for rallying nationalist sentiments and justifying a continued emphasis on a strong military, even when economics is the primary concern.

Chinese diplomacy, in dealing with Taiwan, has become much more nuanced over the years. To 'set the tone' for relations with Taiwan, Chinese diplomacy displays a mix of economic and military strength, that is both soft power and hard power. China's use of economic coercion towards Taiwan and its recent manipulation of the divisions among Taiwan's political parties serve as examples

Firstly, as far as economic coercion is concerned, it is important to consider the background to this aspect. On the one hand, Taiwan remains one of the largest sources of FDI in China, and the Taiwan-China technology transfer has driven development in China's coastal provinces. War with (or over) Taiwan could precipitate and even trigger a significant reversal in China's economic 'opening up' and subsequent development (Stratfor 2004(b), 1 June 2004). On the other hand,

Taiwan's economy is also heavily dependent on China's large market, cheap labour force and resources. The reality, as emphasised by the official PRC newspaper, the *People's Daily* (8 July 2004), is that "China's mainland market is 60 times that of the market in China's Taiwan. While the whole world is advancing toward the mainland, the Taiwanese authority should not go against the trend." As a result, China is exercising its considerable economic power in an effort to influence Taiwan's powerful business community to constrain the independence initiatives of the Taiwanese President, Chen Shui-Bian.

The following serves as a typical example. In an effort to pressurise the Taiwanese business community to constrain President Chen Shui-Bian and his pro-independence platform, Hsu Wen-Long, one of Taiwan's leading businessmen, was singled out for criticism in an editorial of the official *People's Daily* (1 June 2004). Hsu is the chairman of Chi Mei Group – a petrochemical and electronics company that has invested in China and that operates three petrochemical plants and a shipping unit in China – and also a senior adviser to Chen. Since Hsu has openly criticised China's claims to Taiwan, and he is accused of using the profits he makes on the mainland to support Taiwan's independence. In addition, Taiwanese business leaders like Hsu were referred to as 'green businessmen' – green being the colour of Chen's Democratic Progressive Party (DPP) – and warned they would not be welcome to do business on the mainland (*People's Daily*, 1 June 2004).

Although a spokesperson for Chi Mei Group declared that the firm had not officially been notified of the Chinese government's criticism, nor of any threat, the 'coercive' effect of the editorial was evident. After it was published, Chi Mei's stock price dropped by 6,9 percent in June 2004. Should the Chinese government to do more than publicly criticise Hsu, the Chi Mei Group's operations on the mainland will obviously be in jeopardy (Stratfor 2004(b), 1 June 2004). Therefore, if China differentiates among investors and targets those businesses most closely associated with Chen and the DPP, then, in Taipei – as in most places – financial and not political imperatives will be decisive. Should Chen's financial supporters suddenly find their Chinese ventures in peril, the Taiwanese president will obviously be faced with renewed pressure from within his party to moderate his call to amend the constitution for Taiwan's independence.

In response, Chen has launched a campaign to diversify Taiwanese business ties away from Mainland China, emphasising Taiwan's technological capabilities and important location. But though Taiwanese FDI in mainland China did slow down slightly in the first quarter of 2005 (Stratfor 21 April 2005), business links remain strong because of existing investments, geographical proximity, and cultural and family ties; Taiwanese business interests in the People's Republic are unlikely to subside substantially. Therefore, China can continue to put pressure on and even coerce Taiwan's policies through its business community.

Secondly, as far as the deepening and exploitation of conflict in the opponent's ranks are concerned, the political strategy is subtler than the coercive economic strategy. On 29 April 2005, Lien Chien, the chairman of Taiwan's Chinese Nationalist Party (*Kuomintang* – KMT) met with the Secretary General of Mainland China's Communist Party, Ho Jintao, in Beijing. This was the first such inter-party (albeit not inter-governmental) meeting in more than half a century. The two agreed to formally end the civil war that, following the communist forces' military victories on the mainland, divided China into the PRC and the Republic of China (Taiwan) in 1949 (TMCnet, 22 March 2006). Despite the symbolic importance of the occasion, the meeting's main importance lies in the fact that it exposed the latest manoeuvre of Chinese diplomacy in dealing with Taiwan.

Obviously the visit marks a milestone in relations between the CPC and the *Kuomintang*. Lien's visit was, however, greeted with mixed reviews in Taiwan. Some support his visit as a move toward peace and stability across the Taiwan Strait, while others decry it as a traitorous act, endangering Taiwan's national security. For China, this sharp dichotomy in Taiwanese political circles and the possibility of exploiting these divisions for political gain, are part of the motivation for inviting Lien and other Taiwanese opposition politicians. In the past China has relied, without any major success, on military threats in the form of military exercises and missile tests and on economic coercion and punishment. The launching of a contentious and highly divisive political 'peace initiative' was aimed at exploiting the realities of Taiwan's defective democracy in China's favour (TMCnet, 22 March 2006).

One contention is that a bitter battle rages inside Taiwan between the main political parties. President Chen Shui-bian, of the DPP, has been trying to win the support of the KMT ally, James Soong, head of the People First Party (PFP). Although the DPP controls the government, it does not control the legislature. It is allied with the Taiwan Solidarity Union (TSU), a vocal pro-independence party. Though the DPP ostensibly is pro-independence, Chen himself is more of a centrist, exploiting nationalist sentiments for elections and then moderating his stance once in power (Stratfor 2005, 21 April 2005). However, the KMT visit to Beijing is seen in some circles as a Chen failure, since he and the DPP have been unable to initiate dialogue with Beijing. Essentially, the Chinese leadership is exploiting the rifts inside Taiwan, and offering a friendly face to the opposition leaders. This puts Chen and the DPP on the defensive. On the one hand, it leaves them dependent on the KMT or at least the PFP for dialogue with Beijing. On the other hand, it adds impetus to pressures on the DPP to engage in talks with Beijing, considering that Chen – at least for the present – deems the maintenance of the *status quo* to be the best course for Taiwan.

For Chen and the DPP, however, the Chinese have found a weakness. If Chen censures the KMT (and PFP) for their visits to Beijing – something the TSU advocates – he goes against the powerful business community, which ultimately wants to preserve the *status quo* so it can continue to profitably operate and expand business with mainland China. On the contrary, if he does nothing or leaves things in the hands of the KMT and PFP, he loses control over Taiwan's China policy and risks his own party's power (Stratfor 2005, 21 April 2005).

Though the current peace offensive is unlikely to settle the Taiwan issue, it has recast the debate in a new political form. Given the absence of Chinese ‘sabre rattling’ and considering its conciliatory attitude, the Chinese government is placed in a dominant position (politically and morally) that also allows little room for criticism by the outside world. China continues to shore up its image as the benign Asian giant, whereas Chen and the DPP risk being swept out of the way or made to look like the parties responsible for poor Taiwanese-Chinese relations. China's manipulation of the divisions among Taiwan's political parties demonstrates an increased political subtlety on the part of its leadership, at least with regard to the Taiwan issue. Therefore, Chinese diplomacy has grown much more nuanced in recent years (in respect of the

use of diplomatic methods), in the process also aligning it with economic diplomacy as a subsidiary, based on its growing economic influence (Kagan 2005).

5.2.4 United Nations multilateralism

Since 2000 in particular, and as a permanent member of the UN Security Council, China endeavours to enhance the importance of the UN as a global conflict resolution body within a collective security framework. The Chinese government also demonstrates its commitment and adherence to the authority of the UN and other multilateral inter-governmental organisations. In this regard Li Zhaoxing, the Minister of Foreign Affairs of the PRC, indicated in a statement to the 60th Session of the UN General Assembly on 19 September 2005 that "(t)he position of the UN as the core of the world collective security mechanism must be strengthened so that it can perform its duty of safeguarding peace in a more effective way. China supports the efforts to enhance the UN's capacity on conflict prevention, mediation and good-offices" (Li Zhaoxing 2005).

China's support for a multipolar world through multinational organisations should be seen as a way of balancing US unilateralism. Just as China had found the WTO to be a useful forum in its foreign relations, the UN has even greater utility. China's strategy concerning the UN is two-tiered. Firstly, it strives to keep the institution strong and relevant by encouraging the other major powers – particularly the US – to remain engaged in the body. Secondly, it often forms a bloc with Russia and France in the UN Security Council to pursue its own objectives (Stratfor 2003(c), 20 September 2003).

The recent international crises concerning Iraq and North Korea are cases in point. China, which held the rotating chair of the Security Council in 2002, steered negotiations on the US's first draft resolution on Iraq's weapons of mass destruction in November 2002. It also initially opposed the U.S.-led invasion of Iraq, and used the first Security Council resolution (1441) to keep the US in dialogue, and then later joined with Russia, France and Germany to oppose a decision on a UN-mandated attack on Iraq (Stratfor 2003(c), 20 September 2003). China did oppose direct UN involvement in the North Korea crisis, but supported a resolution on the International Atomic Energy Agency (IAEA) plan to refer the North Korean non-compliance to the Security Council. In contrast, Russia, which also opposed a UN role in respect of North Korea, did not support the IAEA decision. The difference between the two

stances is instructive, since China focuses on supporting the UN and on ensuring that it remains the functional centre to deal with international disputes that seriously threaten international peace and security. In the long term, multinational bodies such as the UN and the WTO are regarded as powerful instruments and representative forums that should be preserved and enhanced (Stratfor 2003(c), 20 September 2003).

In addition to this two-tiered approach, China also actively participates in seeking political solutions for problems in regional zones of conflict (PRC MFA 2003(b)). As a more tangible result, China has increased its cooperation with and involvement in UN peacekeeping missions. This includes, firstly, participation in several peacekeeping operations. This takes the form of the deployment of military observers, liaison officers, advisers, staff officers and engineers abroad as part of UN peacekeeping contingents in, amongst others, Cambodia in 1992. Secondly, since 2000 China has also dispatched nearly 200 police officers to participate in UN peacekeeping operations as part of civilian police contingents in the Democratic Republic of the Congo. Thirdly, in January 2002, China formally joined the Class-A standby arrangement system of the UN, making available a standard engineering battalion, a standard medical team, and two standard transport companies (Stratfor 2003(a), 19 February 2003).

It is evident that China relies on the continued existence and relevance of the UN to provide a counterbalance to US unilateralism. The Chinese government's opposition to monopolarity is strengthened by its calls that the authority of the UN be respected. At present, China is not in a position to unilaterally challenge or oppose UN hegemony, as the former Soviet Union did during the Cold War era. However, the Chinese government calls for and supports international solidarity to constrain US unilateralism. By adopting a central position to keep the UN intact, China also demonstrates its own importance to international peace and security, ensures that its own national interests are served, and reduces suspicions and concerns about its own global objectives.

5.3 CONCLUSION

These case studies provide an indication of how the style and characteristics of China's 'new diplomacy' permeate its foreign policy. China's 'oil diplomacy'

represents the ‘new diplomacy’ link to foreign policy ‘enlargement’. It also indicates the significance that the Chinese government attaches to economic diplomacy and the use of a modern negotiating style. The Iraq issue illustrates China’s traditional approach that ‘inaction is better than action’, namely that ‘doing nothing’ can maximise own interests in a situation where the own diplomatic power base is insufficient to control or change a situation. It also indicates the Chinese dialectic application of ‘principled-ness and flexibility’, and of ‘cooperation and conflict’, to the extent that China pragmatically adapts in a flexible manner to a to changing situation without compromising and therefore maintaining its principled stance. The Taiwan issue illustrates the subtle and indirect use of economic leverage in a coercive manner, as part of the strategy of ‘peaceful development’, and it also reflects ‘friendly gestures and a kinder behaviour’ to adversaries and allies. The support for UN multilateralism illustrates independent decision-making while still maintaining an active engagement in international affairs, the new negotiating style, as well as the ability to flexibly adapt to changing situations in a pragmatic manner.

The aforesaid discussion thus provides an indication of how, since 2000, the characteristics and strategies of China’s ‘new diplomacy’ have manifested in its foreign policies on the respective issues. It is a diplomatic style of flexible adaptation and pragmatic change in a new post-millennium situation, based on China’s present diplomatic power base. With the expansion of its sphere of influence in many areas, Chinese diplomacy has therefore been used to sustain China’s development and to increase and broaden its influence regionally and globally. Based on these case studies, it is anticipated that China will continue its subtle, active and peaceful style of diplomacy in the foreseeable future.

CHAPTER 6

EVALUATION

The aim of this study was to analyse the 'new diplomacy' of the PRC. This aim emanated from the basic question: What are the foundations, nature and scope of the 'new' in the Chinese diplomatic style and how does this (the 'new') manifest in the use of 'new diplomacy' as an instrument of China's foreign policy? In order to answer the main research question the study, firstly, analysed the characteristics of contemporary Chinese diplomacy with reference to both past and Western-centric notions of diplomacy; and, secondly, considered selected case studies in order to illustrate the practical manifestations and implications of this 'new' diplomatic style. This analysis was based on the explanatory proposition that although China's 'new diplomacy' reflects a past legacy and certain Western-centric features, its diplomatic style nevertheless has a distinct oriental nature that permeates and influences the country's use of diplomacy as a foreign policy instrument.

It was contended that these 'new' characteristics of Chinese diplomacy were the product of a combination of three factors, namely China's diplomatic power (or 'currency'), the philosophical origins of Chinese diplomacy, and China's diplomatic style in action. Therefore, the main research question was subdivided into the three subsidiary questions: What is the foundation of China's diplomatic power (or 'diplomatic currency')? What are the oriental roots of Chinese diplomacy? How do the 'new diplomacy' and corresponding diplomatic style of China, based on its 'diplomatic currency', manifest in practice?

As an answer to the first sub-question, China's diplomacy was related to its foreign policy context and capabilities, based on the proposition that in a globalising world, China draws on an increased power base involving both 'soft and hard power'. As an answer to the second sub-question, the diplomatic ideas and normative dispositions underpinning Chinese diplomacy was analysed, based on the proposition that Chinese diplomacy draws strongly on its oriental predisposition. As an answer to the third sub-question, a description was provided of China's diplomatic (and negotiation) behaviour and use of its 'diplomatic currency' in respect of particular foreign policy

issues, based on the proposition that China's 'new diplomacy' and corresponding diplomatic style reflect in and influence the outcomes of particular policy issues.

As a point of departure, the concepts of diplomacy and diplomatic style were described. Diplomacy is defined in both the East and the West as the management of international relations by means short of war and aimed at managing international problems and improving relationships among states. Diplomatic functions and activities are very diversified and include representation, serving as a listening post, shaping foreign policy, conciliation, managing order or changes, drafting international rules and law, and negotiations. The modes of diplomacy range from bilateral to multilateral diplomacy, of a permanent and an *ad hoc* nature, to different level-types that include both state and non-state actors and representatives. In these respects, regarding functions and forms, no substantive difference exists between oriental and occidental diplomacy.

However, it is evident that the characteristics of oriental diplomacy differ in various respects, and that by implication the diplomatic methods and strategies of the East and the West are not always similar as each has its own distinctive style. Oriental diplomatic representatives are familiar with realist assumptions and perspectives of world politics, to the extent that most of these also have oriental equivalents or have been borne out by history. They have also become familiar with Western-centric conceptualisations and styles. However, due to their strong situation- and relation-centred approaches, differences emerge. For example, it is unusual for Western diplomats to use 'soft power' to control 'hard power' or to use 'inaction' to manage 'action'. The oriental preference of situational change is also different from the Western mindset's preference for a consistency of views and action. Oriental diplomats also tend to emphasise moral values in diplomacy and consider it a guideline for better action. This oriental way of thinking thus contrasts with the Western upholding of legality in conducting international affairs.

Concerning the foreign policy background as a context for China's 'new diplomacy', attention was given to five dimensions, respectively the geopolitical-historical, the ideological, the foreign policy, the regional and the perceptual dimensions. China's vast territory, huge population, and geostrategic location in Asia is to its advantage and regional issues, as a necessity, cannot be manage without China's involvement and participation. However, China's 19th century history placed limitations on the

development of its power base with the result that its diplomacy lagged far behind that of most other countries. This situation has improved rapidly in recent decades. Based on a long and great tradition, China has quickly recovered the 'greatness' which it had during its imperial era. The geopolitical and historical factors nevertheless left an undeniable imprint on Chinese diplomacy.

The PRC is into its sixth decade of existence and has experienced three main phases of development; each phase being closely associated with its foreign policy and also its distinctive style of diplomacy. The first 'closed door' phase was characterised by extremely limited foreign interaction typical of a 'new state', especially considering that China had just moved out from the sphere of influence of the Western powers. Paradoxically, this phase also saw the pursuit of 'world revolution, a goal that – although it contradicted the 'inward looking' 'closed door' policy – was attributable to the ideological and revolutionary basis of China's foreign policy. The second 'open door' stage was brought about by the emerging trends and transformations linked to greater interdependence and the eventual end of the Cold War. After three decades of isolating itself from the West, the Chinese government realised that its economic developed had suffered as a result and that an ideology-based revolutionary foreign policy of 'leaning to one side' had become irrelevant to the new situation. The third and present 'enlargement' stage involves expansion in a post-millennium era of globalisation, also considering the quantum leaps in China's development and growth.

Deng Xiaoping took power in the late 1970s and started the 'reform' and 'open door' policy, initiating many foreign policy changes. The 'open door' policy extricated China from its previous economic crisis and introduced its present unprecedented growth and development. It is now realised that China not only needs to be 'open' to the world, but it also needs to actively engage with and integrate into the globalised world for further development. Obviously, China's 'new diplomacy' is intended to support these directives and its diplomacy of expansion must be more active, professional and ambitious than one of a passive 'opening up to' the world. As a result its foreign policy is now more stable and the new diplomacy is more consistent. Another reason is that China's diplomacy and foreign policy are presently no longer decided on and directed by paramount leaders as was the case in the past, but by collective leadership less susceptible to sudden change.

China still faces challenges in the pursuit of sustainable development, but many opportunities also exist. On the one hand, amongst others, the country still faces energy shortages, a suspect banking system, risky loans and unemployment. On the other hand, its economic growth and development has reached unprecedented levels, it has replaced the US as the first-ranked destination for FDI, and for the first time in its history China has become an important economic growth engine in the world. There are indications that China is using its power base to pursue own national interests, provoking a measure of controversy concerning its future role and impact. Regarding this there are two major schools of thought. The first views China as a potential threat to the US and neighbouring countries. The second regards China as merely a developing country facing numerous problems, but one that in a regional and global context provides opportunities for cooperation. However, in a globalising world, competition between China and others is inevitable. The reality is that any country that cannot afford to compete with the 'red giant' should accept the challenge and consider possibilities of cooperation.

Apart from the aforesaid dimensions, other factors such as China's formal and informal ideologies still influence its diplomacy. It is obvious that Marxism-Leninism-Maoism continues to provide guidelines for Chinese diplomacy, as does Chinese nationalism and cultural heritage. Also from a perceptual viewpoint, there is acceptance of the fact that Chinese 'new diplomacy' has to be one of active engagement that still allows for independent decision-making. Policy makers realise that independence ensures the possibility of decision-making based on national interests.

Turning to the characteristics and strategies of China's 'new diplomacy', it is evident that a large measure of distinctiveness does exist. Admittedly, it can be argued that some of these traits are not unique and peculiar to China, and that evidence of them is also to be found in Western-centric or traditional diplomacy. It is nevertheless contended that the most prominent characteristics of Chinese diplomacy in the contemporary era, namely the emphasis of independence in decision-making along with an active engagement in international affairs; the dialectical application of 'principles-ness and flexibility' and of 'cooperation and struggle'; a flexible adaptation to changing situations; a flexible application of inaction; and new negotiating style, have imbued Chinese diplomacy with a distinctiveness that differentiates it from those of other states.

Generally speaking, China's more active engagement is reflected in its multilateral diplomatic activities (e.g. at the UN and also other institutions), in solving international issues, in securing its foreign energy supplies and in broadening its markets globally. In fact, one country only can have active engagement once it has independence in foreign policy decision-making. In the past, when China lacked key capabilities and as under pressure from other stronger (or major) powers, maintaining independence was the first priority of its leadership. At present, the maintenance and guarantee of this independence is, amongst others, also pursued through its active diplomatic engagement.

The application of 'principled-ness and flexibility' allows Chinese diplomats to base and even protect their positions and arguments on rigid principles while flexibility, at the same time, provides them with the necessary space to manoeuvre and to cope with issues and changes. However, the application of flexibility is not allowed to violate the matter of principled-ness; flexibility means to still uphold principled-ness.

The dialectical application of 'cooperation and struggle' refers to a collateral relationship; struggle (conflict) is necessary but must be aimed at upholding cooperation. The Chinese uphold cooperation to maximise what is in their own interest and use struggle (conflict) to prevent what is not. Struggle, as they argue, is applied in support of cooperation. In the present world, no country can develop without cooperation with others. However, with increasing globalisation comes many challenges and fierce competition among states in all fields. To cope with these challenges there is no alternative but to 'struggle' to overcome difficulties, to survive and to develop, but in conjunction with cooperation.

China's application of the tactic 'inaction is better than action' is closely related to the notion of 'principled-ness and flexibility'. The latter permits Chinese diplomats to choose the most suitable option in each changing situation, with the inclusion of the alternative of non-action. This not only prevents China from being drawn into conflagrations, but also strengthens its decision-making independence.

The contemporary Chinese negotiating style is more professional and flexible in comparison to what it was in the past when it was predominantly rigid and more formal. The Chinese negotiating style is now more pragmatic and it hinges on the

country's national interests. It is also more accommodating of common negotiating standards and norms.

These characteristics of China's 'new diplomacy' are strengthened by China's diplomatic strategies in pursuit of its national interests, namely its emphasis of partnership, friendly gestures, peaceful development, economic diplomacy, multilateral diplomacy, the moral high ground and specific diplomatic tactics. Concerning partnership, China has officially normalised its relationships with most states and intergovernmental organisations in the international system. It has no permanent allies or enemies, but instead emphasises partnership in most of its relationships. This diplomatic strategy serves three purposes: Firstly, it preserve China's independence; secondly, it enhances cooperation with as many partners as possible based on the 'mutual benefit' principle; and thirdly, economic partnership in particular increases interdependence and therefore constrains and even prevents conflicts with actors. Indeed, in an era of globalisation, partnership is the most appropriate strategy for any country.

When China considers its economic development as a first priority, economic diplomacy (and oil diplomacy) comes into play, also in the context of peaceful development. The development and use of China's economic diplomacy are a direct result of its 'open door' policy. However, there is a difference between the economic diplomacy of the last three decades of the 20th century and that of the first decade of the 21st century: The contemporary economic diplomacy is the diplomacy of 'enlargement' that transcends a mere 'open door'. This is reflected in China's recent diplomatic manoeuvres to secure, amongst others, foreign oil supplies (and the supply of other natural resources), foreign investment, foreign markets and WTO membership, also as an economic power basis of its diplomacy and negotiations.

China's strategies of emphasising 'peaceful development' and 'friendly gestures' are aimed at rebutting and countering the Western-centric theory of a 'China threat'. However, these strategies also have their origins in Oriental philosophy, which sees peace as a first priority. Emphasising 'peaceful development' and making 'friendly gestures' do not mean that China will not use military power if the need arises and is justified. China's recent military build-up and military exercises indicate that it is prepared to use armed force if necessary. After all, peaceful development is a main trend that characterises contemporary China. China is intent on demonstrating to the

world that its increased capabilities and power will not lead to structural changes in the international system or the global balance of power. This is done by avoiding the use of armed force and destabilising the Asian region, thereby not negatively affecting the growth and development of other states.

Concerning multilateral diplomacy, globalisation and regionalism have produced many international institutions and international forums. Although some precedents can be found in the distant past, multilateral diplomacy is a recent phenomenon and China has increased its utilisation of this particular tool in conducting its current international affairs. China, like many other countries, deems multilateralism to be as important as bilateral relations. However, in its use of multilateral diplomacy, the most distinctive characteristic of China's diplomacy remains its ability to maintain its position as an independent actor in global group politics. China refuses to join any other group and stands independently in international forums and institutions. Admittedly, although China recognises the imperatives of a multipolar world and of multilateralism, it still favours a multilateral 'balance of power' to counter US unilateralism. However, once China is able to interact with the US on an equal footing, 'balance of power' may no longer be appropriate and necessary.

Concerning the emphasis in Chinese diplomacy on 'raising the moral flag', the Chinese have always insisted that they are acting in accordance with 'high principles' in foreign affairs. These principles that China advocates, for example the 'Five Principles of Peaceful Coexistence', seem to suggest that the PRC adopts a moral foreign policy but then one based on an indigenous morality (and ethics) that has produced its own 'moral style' of diplomacy. This trend still prevails, primarily on account of the fact that it is deeply rooted in the Chinese culture, more specifically in the traditional Confucian philosophy of China.

Concerning diplomatic tactics, those created by Deng Xiaoping – for example *chao tuo* (being detached from the concrete event) – are still applied. But some of the tactics that have been useful during the Deng era have changed. For example, the tactics *bu kang qi* (do not carry the flag) and *bu dang tou* (do not become the leader) that Deng specifically emphasised in a post-revolutionary context, are now largely irrelevant. It must be borne in mind that *bu kang qi* and *bu dang tou* was created when China was not powerful enough to assume the leading role, even not being able to 'make ends meet' for itself. Presently, China's power allows it to broaden its

role abroad by taking the lead in further development. What the world is witnessing is *kang ki* and *dang tou*, that is China carrying the flag and taking the lead in fields where opportunities favour 'peaceful development'.

To summarise, Chinese 'new diplomacy' provides for a flexible adaptation to changing situations. This is nothing new in Chinese diplomacy, but it is more prominent at present. According to the Chinese point of view, 'adjustments' in foreign policy are only natural as long as 'principle and goals' remain unchanged. In a more complex and uncertain era, Chinese diplomacy has demonstrated the ability to adapt to changing situations. Originating from the Chinese characteristic of using moral values in international relations, China has always portrayed its growth as 'peaceful development'. This approach is also used to counter the theory of a 'China threat'. It is China's assertion that the country is peace loving and will that it will never seek hegemony.

The selected case studies provide an indication of how these characteristics and strategies of China's 'new diplomacy' manifest as an instrument of foreign policy. The case study on oil diplomacy is a recognition of the new phase of development and expansion, more specifically of its economic diplomacy in pursuit of 'peaceful development' and 'enlargement'. As a global economic actor, China's oil diplomacy reflects an active and pragmatic approach to sustain its growth and development by securing access to energy (and other natural) resources. The case study on the war in Iraq, illustrated China's independence in decision-making while remaining actively seized by and engaged in the management of the issue; and also its dialectical application of 'principled-ness and flexibility' and the dictum that 'inaction is better than action'. The case study on Taiwan reflected China's style of exploiting the dialectical relationship between 'cooperation and struggle'; its use of economic diplomacy in an indirect coercive sense; and also of exploiting political divisions in Taiwan. The support for UN multilateralism illustrates independent decision-making while still maintaining an active engagement in international affairs, the new negotiating style, as well as the ability to flexibly adapt to changing situations in a pragmatic manner.

These case studies provide an indication that the characteristics and strategies of China's diplomacy have contributed considerably to its successful development during the past decade. China's diplomacy, through these diplomatic strategies, has been able to sustain and enhance the most favourable conditions for its economic development. A peaceful and stable environment is a prerequisite for its economic,

social and political transformation and development. China's ability to maintain this environment and its benevolent and non-threatening posture is, however, debatable. In the long run China's emergence as a major power of the first order may compromise the political will to implement and sustain these diplomatic strategies in practice, as well as its ability to ensure that diplomatic rhetoric corresponds with foreign policy practice and actions.

In conclusion, concerning the sub-question: What is the foundation of China's diplomatic power (or 'diplomatic currency'? – it is evident that in a globalising world, China does draw on an increased power base involving both 'soft and hard power'. Concerning the second sub-question: What are the oriental roots of Chinese diplomacy? – it is evident that Chinese diplomacy draws strongly on its oriental predisposition as is evident from its oriental roots, its distinctive Chinese characteristics and its diplomatic strategies. However, the extent to which these characteristics and strategies differ substantially from Western-centric diplomacy is difficult to ascertain. Obviously the more generic features of diplomacy, as has been indicated at a conceptual level, is to a large extent 'culture-free'. Even some of the characteristics and strategies that have been indicated and associated with the 'new diplomacy' of China are not completely unknown in Western diplomatic ideas and practice. Admittedly, they are 'couched' in different terms and contexts than is the case in respect of oriental or Chinese diplomacy. Concerning the third sub-question: How do the 'new diplomacy' and corresponding diplomatic style of China, based on 'diplomatic currency', manifest in practice? – it was found that the case studies do reflect China's 'new diplomacy' and corresponding diplomatic style.

Thus, in final conclusion, concerning the main research question: What are the foundations, nature and scope of the 'new' in the Chinese diplomatic style and how does this (the 'new') manifest in the use of 'new diplomacy' as an instrument of China's foreign policy? – it was found that although China's 'new diplomacy' reflects a past legacy and certain Western-centric features, its diplomatic style nevertheless has a distinct oriental nature that permeates and influences the country's use of diplomacy as a foreign policy instrument. The recognition of this will provide both the scholar and practitioner the ability to identify continuity in Chinese foreign policy and to anticipate consistency and persistent trends in the diplomatic practices and behaviour of Chinese diplomatic representatives.

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