Managing the contradictions of China’s Transformative Diplomacy

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**Abstract:** In recent years China’s splendid economic growth creates accretion of comprehensive power, leading to controversies over the long-standing low-profile diplomatic approach by behaving itself more proactively and aggressively, in particular regarding contested territorial disputes. The study primarily argues that although China has expanded itself in various domains, the proactivity behaved so far presents limitations and partial effectiveness. Thus, China is not promoting a fundamental alternative strategy, but hews to the low-profile line at conceptual level, which makes China’s transformative diplomacy. Whereas unlike other rising powers in transformative periods, the paper aims to identify why China has been so uncommon among the great powers to embrace a conservative strategy in the process of rising.

**Key words**: Transformative diplomacy; soft expansion; proactive policy; conservative strategy

**1. Introduction**

Since 1990s, China has achieved astonishing economic success despite voluminous external and domestic constraints, and become the second largest economy by overtaking Japan in 2010. But the second largest economy doesn’t play the second largest authoritative role in global governance. The increased power enlarges capabilities and influence, bringing along with subtle but visible changes in foreign policies. However, it still remains a “soft expansion” that limited proactivity is not sufficient enough to confirm the predications of state-centered realism so far. The rising Chinese power largely lay dormant beneath a grand strategy of keeping a low profile, one that was prudent, cautious and restraint.

Chinese leadership is reluctant to convert the nation’s rising power into sufficient influence abroad. They presided over an authoritarian state endowed with a large highly centralized bureaucracy where efficient order and decision are made or dropped without huge domestic audience cost and that the absence of strongmen makes foreign policy changing stagnant and less authoritative. The Chinese leaders also have to contend with a state that is inflicted with rampant corruption at elite level and social problems at public level, which hinders the translation of administrative preferences from domestic to foreign affairs; domestic stability and development, could provide sound legitimacy for regime rule. Thus, the fundamental adjustments of foreign policy have not completed yet, although Chinese leaders have clearly identified the changes of power position in world politics, skillfully adopted a variety of assertive responses to the changing security environment by behaving itself more assertively and proactively. Regarding the limited assertiveness, it is not China who initiated them in most cases, but made strong responses accordingly. The unwillingness to be an initiator of either an agenda or a dispute originates from a fundamental soft expansion motive. The power ascendance may have lifted China to a new position in power politics, whereas unlike traditional rising powers in modern history who adopted a hard expansion to out stretch for self-interest, China remains a low profile in foreign policy and only selectively show strong muscles towards other players in regard of territory and sovereignty issues. Thus, the implications of imbalance between power and strategy lead to a more sophisticated Chinese diplomacy in post-cold war era. Why does a rising China embrace a low-profile strategy rather than out reach itself like many other traditional rising powers in modern history? Will the soft expansion secure China’s rise in the upcoming years or decades? The paper examines

Chinese distinctive transformative diplomacy by applying Neo classical realism

**2. Theory of Neoclassical realism**

Realism starts with the logic that a state is confronted with both systemic constraints and opportunities. International politics has indeed many instances of follies, where threatened countries failed to balance a clear and present danger when they possess sufficient capabilities, consciously and unconsciously. This behavior, which we shall call under balancing, runs towards a reversed direction to the core prediction of neorealism. Numerous cases reveal these state behaviors. As history indicates, none of the great powers but Britain had balanced against Napoleonic France; in the 1930s, none of the great powers had balanced against Nazi Germany, including Britain, France, the United States, the Soviet Union, Italy, and Japan; a similar reluctance to check unbalanced power characterized today’s world politics—uni-polarity yields few instances of balancing behaviors. As Holsti noted, alliances, such a common feature of the European diplomatic landscape since the 17th century, are notable by their absence in most areas of the Third World. So are the balances of power.[[1]](#footnote-1) Even China’s accumulated capabilities present itself as a peer competitor to balance the uni-polarity. It has not, however, aligned with any great power to keep check and balance the United States. China’s foreign policy generally follows an under stretch model. Although limited proactivity could be observed, China’s behaviors in most cases fall short of a complete translation of material strength. This is quite uncommon from the perspective of realism.

Neoclassical realism, according to Rose, explicitly incorporates both internal and external factors, updating and systematizing insights from classical realism by stressing that the scope and ambition of a country’s foreign policy is driven first and foremost by its place in the international system and specifically by the material abilities.[[2]](#footnote-2) However, the material power can only exert indirect and complex influence on the foreign policies, since the material power under certain systemic pressures should be interpreted through the internal intervening variables. [[3]](#footnote-3)

Neoclassical realism shares concern for the state with classical realism and defines its mission to build foreign policy theory, rather than system theory. For neoclassical realism and neorealism, they both begin with assumptions about the conflictual nature of international system and both assign causal primacy to systemic independent variables. However, they differ from each other on the dependent variable. The former aims to design foreign policy theory, describes variation of the foreign policies in a same state across time or across different states in similar external systems, and makes no pretense to examine the system patterns or power struggle outcomes. There are reciprocal causal relations between system and unit. While the latter seeks to explain recurring patterns in international system, and resulted from two or more powers competition. The causal direction is from system to unit, in other word, the nature of the system determines a state behavior. See table 1.

**Table 1 International Relations of Rising Power in Transformative Diplomacy**

|  |  |  |  |
| --- | --- | --- | --- |
| Dominant power (allies) & **Rising Power** | Offensive Realism | Defensive Realism | Neoclassical Realism |
| **Confrontation/Conflict** | Balancing VS **Counterbalancing** | Balancing VS **Strategic Conservatism** |

Neoclassical realism identifies states as the most important actors in international politics, and presents a “top-down” conception of the state that systemic forces ultimately drive external behavior. Leaders conduct foreign policy by their assessments of relative power and others’ intentions and are always subject to domestic constraints. The sub state actors are not irrelevant and sometimes quite difficult to control within a state’s leadership. Neoclassical realism defined elite calculations and perceptions of relative power and domestic constraints as intervening variables. Relative powers set parameters for a state to define interest and to seek particular goals.

The neoclassical realism grounds its archetype in Thucydides’ History of the Peloponnesian War, which posits that the real cause of the war was the growth of the power of Athens, and the alarm which this inspired in Sparta, and then narrates how systemic incentives were translated through unit-level variables into the foreign policies of the various Greek city-states.[[4]](#footnote-4) It also argues that the relative material power establishes the fundamental parameter for foreign policy, in Thucydides’ formula, “the strong do what they can and the weak suffer what they must.”[[5]](#footnote-5) However, there is no perfect transmission belt linking material capabilities to foreign policy and the foreign policy is made by decision makers whose perceptions on the material power matter. It means that in the comparatively short term, foreign strategies may not necessarily track objective material power trends closely or continuously; it also implies that the foreign policy makers may find constraints to direct domestic resources. Thus, policy analysis must examine the power as well as domestic resources that could affect foreign policy. In general, systemic structure and incentives shape the basic direction of a country’s foreign policy and may fail to determine a state’s specific behaviors, which means that systemic factors significantly limit foreign policy choices of a country at a given time, rather than forcing a country to choose a particular item. Therefore, neoclassical realists note that foreign policy makers should carefully examine the domestic and international contexts to better understand the connections between power and policy.

Neoclassical realism contends that a theory of foreign policy limited to systemic factors or domestic factors alone is bound to be inaccurate much of the time. Leaders should analyze how systemic pressures are translated via intervening variables, such as perceptions of leaders, and societal forces, in order to understand the way of interpreting external environment. The anarchic world is neither benign nor malign but rather murky to read. In this regard, neoclassical realism stands a middle ground between structural theorists and constructivists. The former accepts a direct link between system and unit actors; the latter deny the existence of objective constraints by arguing that the world the socially constructed and anarchy is what states make of it.[[6]](#footnote-6)

**3. China’s transformative diplomacy: the soft expansion**

However, “when the United States emerged from the Civil War as a powerful industrial state, its foreign policy was marked by a persistent reluctance to involve itself abroad”[[7]](#footnote-7). Zakaria argued the period 1865-1895 presented many instances in which American decision makers clearly noticed opportunities to expand and rejected to push expansion, although during which the GDP climbed from $8.4 billion to $32 billion.[[8]](#footnote-8) The highly gap between power and interest lasted over 30 years. As one of the richest nation, the United States during that period continuously accumulated material strength, but much less willing to use forces on colony occupation and even overseas markets expansion. In fact, America never ceased to expand itself and the expansion proceeded in a mild way, less audacious and adventurous than the contemporaneous Prussia and Japan. It was not the United States weaker than other rising powers in material capabilities that displayed a relatively prudent behavior, rather, it was the foreign policy endorsed by the decision makers to make America in that period a less aggressive nation. The behavior displayed by the United States in that period during the process of great power rising could be defined as soft expansion.

“Soft expansion” as opposed to hard expansion is markedly exhibited by traditional rising powers in the lens of realism. Soft expansion occurs when a rising power achieve national objectives beneath their capabilities and projects itself cautiously abroad, seeking cooperative approach and selectively making concessions, showing a peculiar inclination of under expansion by limitedly and selectively engaging itself into the world where orders and structures are dominated largely by established great powers, complying rather than challenging the established rules and regulations, tentatively initiating consultative agendas, keeping conservative on others’ internal affairs, seeking no allies and no leadership in the system. Obviously, American behavior in history is not the only exception in world politics. As a great rising power, China practices quite a similar approach in foreign policy strategy. This research will focus on the discussion of the peculiar phenomenon-- soft expansion of rising powers by exemplifying China’s foreign policy at a time of great power rising.

The manufacture of foreign policy manifests malleable attributes, a result of interdependent choice. Behaviors of rising powers can be divided into five categories: extreme expansion, over expansion, moderate expansion, under-expansion and no expansion. See model 1. Both extreme and over expansions mostly bring about wars and conflicts by extravagant use of forces and coercions, enforcing others to make concessions. These can be roughly categorized into hard expansion. Moderate and under expansion usually generate less disruptive outcomes, expanding in a mild and peaceful manner, which can be classified as soft expansion. For example, if taking extreme expansion, a state aims to pursue objectives far beyond its capacity, resulting enormous blood and loss to others and the collapse of the empire itself in the end. Such as the Soviet Union 1945-1990, Japan 1931-1945, Nazi Germany 1933-1945; costs for over expansions outweigh benefits in a lesser scale, impairing strength and image, such as the Great Britain 1918-1960. Moderate expansion is more or less commensurate with a state’s increased capabilities, such as the United States 1945-1990. Under expansion and no expansion may occur when a state’s executive power is weaker and foreign behavior is restrained by external and internal factors, presenting a certain gap between power and policy, such as the United States 1865-1908[[9]](#footnote-9).

### *Model 1 Transformative Diplomacy of a rising power*

Note: Extreme expansion: Soviet Union, 1945-1990, Japan 1931-1945, Nazi Germany 1933-1945; Over expansion: Great Britain 1918-1960; Moderate expansion: the United States 1945-1990; Under / No expansion: the United States 1965-1908.

For China’s conspicuous relative power, is it over-expanding or under expanding?

In 1890 the key policy of the United States was the Monroe Doctrine, a continental strategy of hemispheric defence. While Xi pronounced in his visit to the United States in spring of 2012 as vice President of China that the Pacific was vast enough to accommodate both the US and China. Based on this fact, China’s under expansion could not be more obvious than the United States to some degree. A coherent model of state behavior is hard to follow when power structure witness fundamental relocation. Systemic and domestic causes both contribute to a state’s expansion. Considerations of a state’s grand strategy are various and volatile in scope and scale to dissolve internal and external bumps and thorns. Both systemic constraints and leaders’ conservative strategy retarded the translation of material capabilities to foreign policy. So far, as a rising power, China behaves relatively restraint and takes no overt disruptive postures. The limited expansion follows a soft mode. We may roughly ascribe it to under expansion where a very clear disconnection between strategy and behavior exists. Thus, it is natural for a relative power to move from under expansion to moderate expansion as increased material capabilities extend sphere of interest and security concerns.

In the past 60 years, China developed four diplomatic transformations in five periods, namely leaning to one side in 1950s, fighting with two fists (anti-imperialism and anti-revisionism) in 1960s, United Front Line in 1970s, self-independence and non-alignment in 1980s, keeping a low profile and doing something since 1990s. In China some argue that China in fact has no de facto “grand strategy”, China’s approach to the world is reactive, defensive, and hardly integrated and coordinated, in short of a grand view regarding of the rhetoric principles and guidelines. Chinese foreign policy spells out various contradictions; proponents of Chinese Grand Strategy pundits responds this distorted perspective by contending that Chinese leaders are sober-minded strategists, adopting a clear, coherent and consistent package of strategic goals and approaches. They examine Chinese foreign policies and actions, asserting that China’s fundamental goals remain unchanging and attain through a complex application of diplomatic, political, economic and military instruments and policies. China has a de facto grand strategy.[[10]](#footnote-10) One prominent feature of China’s diplomatic strategy concerns with wording. It derives from China’s top leader’s individual thought, not concepts that are systematically assessed by bureaucratic foreign policy making apparatus. There is different substance between “grand strategy” and “Chinese diplomatic strategy”. However, no matter what content “grand strategy” and “Chinese diplomatic strategy” contain, both serve as fundamental and general foreign policy guidance.

After the Tiananmen Incident in 1989, China was faced with imposed sanctions from the West. Thereafter, TGYH was adopted to guide Chinese foreign policy by keeping a low profile in international world. Meanwhile, China’s overall GDP ranked 10th in the world economy according to the data from World Bank. Therefore, China’s foreign policy was basically described as moderate or even conservative, roughly proportional with material capability, given a great mount of systemic constraints was imposed in early 1990s. Two decades later, China’s GDP ranking rises to the 2nd place in the world. Material capability has amplified enormously, challenges and constraints from the system also reached to a historical high level. The material capability change doesn’t incur relevant fundamental strategy adjustment, but rather keep the low-profile strategy as its primary diplomatic approach, although more behaviors are suggesting a brand new approach. China shows great reluctance to play a great power role in global governance and unwillingness to initiate international and regional agendas. A certain amount of material capability is plagued by a conservative strategy and overall material capability could not be sufficiently converted into power and influence. China’s diplomacy is not only faced with increased systemic pressures, but also inflicted with a conservative strategy. The insufficient translation of power nevertheless makes only a soft expansion and leads to a more problematic diplomacy compared with the power translation in 1990s. If China’s conservative strategy could be redefined, to release more material capability to achieve objectives, the gap between power and strategy could be bridged. China then could be more capably address various diplomatic problems and challenges by counterweighting the constraints. See model 2.

### *Model 2. Soft expansion model*

In regard of the power shifting map, Chinese leaders basically hewed to the line of low-profile in handling various foreign affairs. Non-interference, non-alignment, no-leadership claim and focusing on domestic development comprise the pillars that underlay in the core of a low-profile strategy after Tiananmen Incident in 1989. The overarching diplomatic approach was adopted in confronting sanctions from the west and turmoil at home and put forward by then paramount leader Deng.

In recent years, more assertive tones can be found in Chinese official talks. In July 2009 at a meeting of Chinese ambassadors, Hu delivered remarks that China should not only increase its level of “dealing with the international volatile situation and affairs”, but also should “develop greater influential power in politics.” Such language was new and absent from previous speech to Chinese diplomats.[[11]](#footnote-11) Premier Wen repeated that China’s status as a developing country faced with an array of domestic problems excludes such behaviors; China is a responsible country and firmly committed to promote peace and development, never seeking hegemony.[[12]](#footnote-12) A variety of Chinese media suggest that Chinese government has become more powerful and confident on foreign affairs, which is all due to strong economy. China has marched to the center of the world, and ought to voice its own justifiable claims. For the unpredictable situations in the world, one may notice that China is more actively engaging in international affairs In a speech to provincial party leaders on July 23 2012, Chinese President Hu Jintao underscored that "We are confronted with unprecedented opportunities as well as unprecedented challenges" in reference to "the domestic and international situation". Hu proposed in 18th Party Congress Report to build China a strong maritime power for the first time. In addition, newly elected leader Xi Jinping stressed that “Chinese dream” can be said a dream of a strong military. “We must ensure there is unison between a strong nation and a strong military”. In his trip to Guangzhou military region of south China in December 2012, he demanded that “we must insist on rigorous battle-ready standards in undertaking combat preparations, constantly enhancing the thinking of officers and troops about serving in battle, and leading troops into battle and training troops for battle.”[[13]](#footnote-13) David Shambaugh, said that in his first month as Communist Party general secretary, Xi had apparently directed China's maritime policy with respect to the East and South China Seas - clearly allying his position with staunch nationalists.[[14]](#footnote-14)

It is clear that Chinese leaders have acutely noticed newly gained leverage as well as diplomatic problems. Since 1990s, China has changed its behaviors and perceptions to a large extent, but not large enough to commensurate with state capacity. China has staged itself on transformative diplomacy. This incomplete diplomatic transformation is characterized by unmatch between power and strategy, displaying itself in soft expansion instead of a hard one.  If a state is capable of achieving its objectives based on the accumulated strength, its statesmen are unwilling to sufficiently stretch themselves and remain an under stretch approach. In fact, the increased material capabilities enable a state to expand further in scope and scale. Foreign policy however is not an automatically outcome of material capabilities, but requires complex translation process through competition of various systemic and domestic factors. What a state can do does not necessarily equal to what a state must do in foreign affairs domain. Voluminous considerations, constraints and timing hinder the translation of a state’s material capabilities into foreign policies, leading up to the gap between power and interest, between tangible behavior and announced strategy, resulting in an incomplete transformative diplomacy-- disjuncture between capabilities and strategy. It may give rise to more opportunities, as well as more challenges. Endorsement of conservative policies is caused most likely by the idea that a state’s interest and security can be best safeguarded only through a low-profile approach. This idea, the central point of Chinese empire, is probably the major force of adopting soft expansion by each generation since Deng.

### 4. Growing capacity makes expansion

Deng’s supposition on the tendency of world affairs unfolded Chinese open-up and reform campaign a decade earlier than the collapse of Socialist bloc and the fragmentation of the Soviet Union, successfully secured China’s position as a socialist state and spectacular economic growth. The speed, scope and scale of China’s expansion on the global stage are consequential. The continuous dynamic creation of material capabilities substantially enables China to surprisingly withstand the attack s of financial crisis in 1997 and 2008. China was almost not greatly affected by the crisis and began to assume a constructive role of stabilizing regional and world economy. Chinese leaders officially to affirm its role of “a responsible power” as it reassured crisis-suffered economies not to devalue RMB currency in 1997, which received widespread appreciation from Asia and the world. Since then China’s power gradually gained more attention from the world and the world has realized China’s remarkable leverage.

A supposed cautious, compliant, low-profile, restraint China is transforming itself into a more confident, assertive and confident power, promoting its own preferable norms and agendas in regional and global institutions and regimes, confronting more straightforwardly with the west and its neighbors on unfavorable arrangements, which immediately triggered voluminous western analysts and policy makers’ repulsive responses claiming that China finally reveals its real colors. Given the rising nationalism and confidence in strength, Chinese leadership asserts core national interest more stridently in confronting with US-backed smaller powers and American allies, counterbalancing the clout with increasing determination and resolution in protection over abroad investment and citizens’ security. Since 2008 Chinese navy has conducted escort cargo ships from pirates in the Gulf of Aden; China has been involved in territorial disputes at various intensity with Vietnam, Philippines, Brunei in the South China Sea, and with Japan over Diaoyu Island and demarking line in the East China Sea; China’s military modernization has seen double-digit defence spending growth; non-military military departments including Fisheries, air and maritime surveillance have conducted patrol missions regularly over disputed territories. Besides, other assertive statements and actions include greater constraints on foreign companies operating in China; increasing cyber-attacks and censorship on foreign firms like Google in China, which is regarded as a governmental supported response; more active and influential role at international regimes like G20; strong opposition against pressures to significantly appreciate RMB currency and reiterated criticism on US’s monetary policy;[[15]](#footnote-15) an allegedly hard-liner, and deliberately tough stance at the UN climate Change Conference in Copenhagen;[[16]](#footnote-16) resistance to sanction against Iran or DPRK; [[17]](#footnote-17)rising the levels of demand towards other nations; [[18]](#footnote-18) stronger criticism at Obama’s 2009 and 2010 decisions to sell arms to Taiwan and meeting with Dalai Lama. China officially responded by imposing sanctions on businesses of US defense industry company Boeing.[[19]](#footnote-19)

#### 4.1 extending strong moves in maritime frontiers

In recent years, China has become evolved in a series of disputes over sovereignty to islands and sea beds in the South China and East China seas, where rich energy and fishing resources have been explored. The conflicts may be also blended with historical feelings and systemic constraints towards China’s rising power. Until to the fall of 2012, tensions have been escalated ever since before, becoming thorny and urgent diplomatic issues to be addressed in the coming period. According to a report released by the International Crisis Group, the disputes in South China Sea have become so intense that the prospect of open conflict has become more likely. Although reemerged territorial disputes in sea borders were not started by China, the strong responses made by Chinese government have quite shaken the other countries and aroused broad discussions on China’s emerging new approach in dealing with foreign affairs around the world. For instance, China has exhibited assertiveness in South China Sea issue in facing off Philippines, sending two Marine Surveillance craft, establishing the prefectural level Sansha city to enhance the maritime administration in Xisha, Zhongsha and Nansha islands in South China Sea.

In response to Japanese purchase Diaoyu Islands, in Sep. of 2012, the Chinese government announced to clarify the base line of territorial sea over the Diaoyu and the affiliated islets and began routine inspection, issue oceanic environment observing and weather forecast every day, released more details about the location, pictures and names of Diaoyu and the affiliated islets to the public. At the double conferences of 2013, Chinese government plans to restructure National Oceanic Administration (NOA) to enhance maritime law enforcement by controlling the coast guard forces of the Public Security Ministry, the fisheries law enforcement command of the Agriculture Ministry and the Maritime anti-smuggling police of the General Administration of Customs. The arrangement aims to more efficiently safeguard the maritime rights and interest.[[20]](#footnote-20) The NOA also holds annual conference with the Chinese Liberty Navy since 2009 to discuss maritime cooperation issues and coordinate joint operations. Besides, China started to conduct navy and air forces joint training exercises at waters near disputed Diaoyu Island in Dec. 13th, 2012. China also establishes Air Identification Zone in East China Sea in response to the rising tensions in maritime territorial disputes. In other words, in reality, China is doing away with a low profile strategy*.* In that case, it is not logical for Beijing to keep harping on while practicing something else.[[21]](#footnote-21)

#### 4.2 voicing assertive stance on climate change

China has begun to adopt a more assertive role in global climate change since 2007 at UN meetings on climate change in Bangkok and Copenhagen. China led an alliance of developing countries to counter pressures from industrialized nations for global warming and emission cut. Official of International Energy Agency (IEA) stated that China would become the world’s largest emitter of greenhouse gases in the foreseeable future. China disputed the IEA claim and blames from the developed countries, describing it as “complete rubbish” and put forward its own detailed case to counter the assertion. China insisted that global warming is first and foremost a problem created by developed countries. Therefore, developed countries should take the lead in dealing with it. The reasons of the assertive stance may also relate with international inspections on domestic carbon emissions, which is regarded as interference with China’s internal affairs. In fact, huge cut on gas emission will affect economic development indeed, but it also contains other important linkages at domestic. Local governments in China often ignored orders and regulations on environmental protection issued by the central government in order to claim a promotion via a robust economic growth under their governance or in terms of taking the bribes and corruptions. In addition, the exposure and amplification of these facts may tarnish China’s international image, although these issues are prevalent in various developing countries. Thus, both internal and external factors contribute to Chinese strong posture in climate change.

**4.3 creating expansion in world economy**

In the past decade, Chinese leaders constructed the framework on “peace” policies: “peaceful rise” in 2003, “peaceful development” in 2004, “harmonious world” in 2005; emphasis on “good neighbor” policies, to shelf unresolved disputes on territory, to expand cooperation with neighbors through regional security and economic regimes and institutions and to maintain good relations with major powers. When the United States dedicated itself to consecutive anti-terrorist wars, Chinese leadership observed an advantageous strategic opportunity period and forcefully accelerated efforts to enhance national power. By 2011, China becomes the second largest economy with GDP at $ 7.2 trillion; China was the world’s largest exporter and second largest trader; in 2011, China become the largest manufacturer, overtaking the United States; China has run trade surpluses for years, earning a value of $3.04 trillion of foreign exchange reserves in 2011. China’s importance and engagement have dramatically changed world political geography. As the influence China can exert on the world economy increases, a de facto leadership role in propelling global economic development has been more widely recognized both by the world as well as the Chinese leaders. On the whole, a broad range of experts predicted that China would overtake the United Stated within a decade or two in overall GDP. The astonishing figures and data coincide with economic leverage and expansion China practices in recent years. China resisted to greatly devalue currency, China started to expand offshore investments on energy and resources. China makes global investments on energy, infrastructure and technology projects in Central Asia, Persian Gulf, Africa and Latin America, making China the world’s fifth largest foreign investor by 2011 with outbound investment at $70.1 billion[[22]](#footnote-22).

China’s global activism in economy is shaped by a complicated network of partnerships, economic forums, dialogues, and international institutions. China involves itself into a variety of regional and international organizations as well as regimes, such as ASEAN, ASEAN 10+1, ASEAN 10+3, ARF, Shanghai Cooperation Organization, increasing voting shares in WB and IMF. China has nevertheless enlarged its profile in economic affairs. The above aspects will be tracked to exemplify China’s proactivity during its diplomacy transformation. The economic activism is intricately associated with domestic development, leadership perceptions and interactions with the outside world.

## 5. Strategy lags behind capacity

Given China’s proactive stances in overseas military operations, territorial disputes, economic and financial influence, energy exploration, soft power promotion, and regional and global agenda initiatives, enormous indicators are heralding China’s arrival as a new great power with a particular disposition. The accumulation of wealth, however, not necessarily confers preeminence and greatness of a rising power. Both domestic and international factors serve as obstacles in translating China’s material capabilities adequately into effective foreign policies.

Differentials in growth rates, leading to power shifts towards an emergence of new balance. China’s unparalleled economic growth has dramatically shaken power geography of world politics. In light of the changing strategic landscape, China should have redefined the cautious and modest diplomatic approach of *Tao Gang Yang Hui* (keeping a low profile. TGYH). Nevertheless, Chinese leaders reprise TGYH strategy, opted to relatively contract material capabilities, rather than further expand to counter the provocative balancing as realism would forecast. Chinese foreign policy from the end of the Cold War to the beginning of Xi Jinping lineup has hewed to the line of a low-profile strategy; even its behavior largely confirms the predictions of realism that Chinese leaders, as their counterparts of any other rising powers, expanded Chinese influence abroad when they perceived accumulated capabilities in the power. China has proved so far comparatively conservative, declining to assume proportional global governance and to use forces to resolve disputes concerning core national interest under the guidance of TGYH.

Deng’s TGYH strategy has been tested for two decades at both conceptual as well as policy levels. The heated debate on it indicates the increasing discontent with regard of the effectiveness of TGYH. In the policy domains, China’s leadership has also modified postures in a range of issues. And the growing confidence and assertiveness demonstrates the tendency to reconsider TGYH strategy. The efforts to reassure the world about the continuity of the current policy imply that from the leadership level replacing TGYH with a more assertive strategy would be unlikely, for any audacious step may cause confusion and suspicion to the outside world. As Wang Jisi noted , “last year, some Chinese commentators reportedly referred to the South China Sea and North Korea as such (China’s core interests), but these reckless statements, made with no official authorization, created a great deal of confusion”.[[23]](#footnote-23) “China’s top leadership, which believes that domestic problems should preoccupy China for many more years and which recognizes that a declining US is still powerful (and will remain so for a long time), is more clear-headed than lower-level government officials, some military and academic elites, and the public on China’s national power and the international situation.”[[24]](#footnote-24)

#### 4.1 Reluctant interference in internal affairs

Historically, China has vigorously upheld that the state sovereignty is sacred and against arbitrary or excessive outside interference. Many observers in recent years have witnessed a trivial change in China’s traditional stance toward intervention. However, this position has not been altered in the state’s overall opposition to use force in intervening national states’ internal affairs. Chinese leaders resisted external coercive pressures to make them change regimes, those operated by the United States and the European countries. China agrees that it is important to diagnose the causes of local underlying instabilities, but the overall objective should focus on immediate threats. China lately has shown signs of acquiescing limited international interventions in failed countries, by permitting UN backed or NATO-led military intervention to prevent the killing of civilians. In contrast to the Libyan case, China has repeatedly exercised veto against UN resolutions on Syria, reluctant to apply pressure on Syria, giving no signs of assuming greater responsibility in global governance.

Moreover, China has been severely criticized by the West for obstructing democracy and progress on human rights in including Myanmar and North Korea. Despite being a big and influential neighbor, China has been extremely reluctant to impose adequate pressures on Myanmar and DPRK. In fact, border areas present fragile governance and pose threats to China’s domestic stability, including military clashes in Myanmar, drugs and traffickers, illegal gambling, refugees. However, China has conducted various types of exchanges at the central level as well as at local level in the border areas and engages in multi-level cooperation with them and provides assistance to Myanmar and DPRK in the past decades. China’s active engagement instead of coercive interference offers a viable alternative to the failed states in the perspective of the West in a more acceptable direction in global governance. China prefers to endorse a soft expansion to influence the behaviors of failed states.

#### 4.2 relative passiveness in non-proliferation

As one of the world’s largest economies, China plays a vital role in maintaining international non-proliferation regimes. In the past decades, China has made great efforts in joining non-proliferation regimes and embracing the international proliferation standards. China supported UN Security council resolution condemning DPRK missile tests and Iran’s nuclear weapons programs and to bring them to the negotiations with the objective to dismantle their nuclear weapons. China has published white papers in recent years in detailing nuclear policies and procedures for enforcing export controls. Unfortunately, Chinese actions continue to be perceived as pursuing policies that complicate the efforts and initiatives to curtail the proliferation of WMD, especially to the failed states and non-state actors. China is largely considered not intervened energetically to stem the development of North Korea and Iran’s nuclear weapons and missile programs.

China has a longstanding relationship with both DPRK and Iran and in recent years sought to strengthen bilateral ties. Insufficient pressures originates a desire to sustain good relations with them, to stabilize periphery, to secure access to resources, to develop markets for exporting goods with both civilian and military uses, and to keep traditional reluctance in interference with foreign states. The non-proliferation cases reflect China’s increasing role in coordinating and even presiding over preventing the spread of nuclear missiles, and it also verifies a restraint and moderate approach in global governance on security. Cultivating and sustaining good relationships is a vital concern for China in its efforts of non-proliferation. Rather than coercively threatening to impose sanctions, China influence and expansion over DPRK and Iran shows a soft manner--limited interference with a restraint policy.

#### 4.3 claiming no leadership in world order

Undoubtedly, as China accumulates more material capabilities, China and the world requires a new framework to define the changing world politics. Zbigniew Brzezinski firstly coined the concept of G2 in 2006. The essence of it lies that, as the two largest countries in the world, as members of the UN Security Council, and as the most powerful country and the most prominent rising state, China and the United States should work together to address various challenges facing the international system, assuming more duties in global governance and provide more public goods to regions and the world. But China declines G2 proposal and chooses to maintain sober-minded manner towards it. Chinese leaders stressed that it remains a developing country with a large population living in poverty; it prefers a foreign policy of non-alignment and non-interference; China believes that global issues and resolutions should be decided by joint consensus, rather than one or two countries. Chinese leaders clearly noted that Sino-US relationship plays a unique role in China’s diplomacy, but they have not prepared to accept the concept of G2. Serious domestic problems remain main concerns for Chinese leaders, who keep wary of expanding too much externally by traversing the principle of TGYH. The restraint mindset dominates foreign policy while activism aspect comes secondary. However, China appears more active in promoting G20 agendas as it has been upheld a multilateral approach in a number of foreign affairs. It has urged members of G20 to stick together and address Europe’s debt crisis in a constructive and cooperative way.

The markedly distinct responses towards G2 and G20 confirm that China shows significant reluctance to completely walk away from TGYH. China is willing to cooperate with international actors and coordinate a broad range of issues and problems, but it refuses to dominate global affairs. Rather, it respects and promotes multilateral inputs in addressing worldwide problems and promoting development initiatives.

## 5. Why does China embrace a soft expansion?

In recent years China’s diplomacy demonstrates greater engagement and integration with the world; diplomacy is combined deepened proactivity and accommodation: more assertive on core national interest, adapted to international rules, cooperative and constructive towards various regional and global affairs. Thus, China’s de facto diplomatic stances often depart from a low-profile approach that has been persistently maintained by Chinese leaders. Strenuous efforts should be made to conceptualize the modified behaviors, as TGYH cannot largely explain China’s complicated international behaviors.

**5.1 The system---power structure**

Neo-classical realism assumes that power structure provides a fundamental basis for big powers’ foreign policy making. As China rises, the international power structure undergoes readjusting towards China’s favor. However, many particularly at home overstate China’s power while underestimate the dominator’s power. Many agree that the United States is still the most powerful country and it will not decline in the long run due to the supreme advantages to others- the rule of law, diverse values, technological and institutional innovation, the mature civil society, favorable geopolitical conditions and rich resources. According to realists, power shift makes the dominant power impose pressures to contain the rise of a challenger. The free-riders of the dominant power following behind are emboldened to pursue risky profits. Albeit the fundamental structure change in international politics is still far away, more rigorous international conditions have already confronted China in foreign affairs domains.

### 5.2 The state- Chinese authoritarian regime

The default Chinese political tradition over the past two millennia was a relatively high quality, centralized bureaucratic and authoritarian government punctuated by periods of internal chaos and wars. China was the first society to develop a modern state in the Weberian sense of term, based on impersonal recruitment, meritocratic bureaucracy and uniform administration since Qin dynasty in 221 BC.[[25]](#footnote-25) China never developed a rule of law. The legal codes are all species of positive law, administrative enactments of the ruler. China also failed to create upwards institutions of accountability. The precocious consolidation of centralized power allowed China to prevent emergence of new challenging actors that would threaten the regime. Almost all the successful authoritarian modernizations from particular Chinese institutional sequence cluster in Asia under the stewardship of authoritarian power.

To examine the evolution of China’s foreign policy, one should never neglect the nature of political system. China has a highly efficient centralized bureaucratic system.Competent and strongmen are chosen to govern the country. Chinese political system has highly meritocratic features following historical traditions; capable men are recruited into the Party and promoted within the system. It is hard to get promotion to top ranks without extensive administrative experience of years. The highly efficient political system offers favorable latitude for foreign policy makers to endorse an ad hoc attitude in handling foreign affairs, leading to the formation of erratic behaviors. First, it ensures efficient decision-making.The ruling CCP has evolved a highly complex, adaptable and coherent approach to govern an elite cadre system that could mobilize the mass across the country. Chinese regime is far more rule-bound and it has a collective leadership that observes term limits and decisions, which is less of a problem for China regarding leadership succession compared to other authoritarian regimes. It has an elite structure to enforce rules and decisions. Chinese are relatively free from ideology. For top leaders, if a decision works, they go with it. Otherwise, they drop it. Second, it has limited check on government. Political accountability in China is virtually upward, not downward. Authoritarian China operates effectively with greater knowledge of what is happening at the grassroots. The extensive monitor and control does not just shape public opinion, but try to stay on top to respond to pressures before violent eruption.

### 5.3 introspective leaders

Neoclassical realists agree that power’s impact on foreign policy is indirect and problematic and the foremost factor is leaders’ perceptions, whereas most systemic theorists presume a direct translation of power to foreign policy. However, neoclassical realism notes that the international distribution of power can drive state’s behavior only influencing the decisions of leaders, who have no alternative but to explore how the other countries’ leaders perceive their situation.[[26]](#footnote-26) For proponents of neoclassical realism, the role of leaders is put at the center of analysis.[[27]](#footnote-27)

Leadership moral responsibility and introspective discipline moderates Chinese leaders’ decisions. Conventional wisdom holds that most people would allow for the possibility of benevolent dictatorship, as traditional Chinese rulers have promoted “benign governance” (*ren zheng*). Although China never fully developed the rule of law or institutional accountability to check administration, moral accountability and introspective discipline played a central role in Chinese authoritarian regime.[[28]](#footnote-28) This was the essence of Confucianism. Benign governance largely plays as a doctrine to moderate the decisions of rulers.

### Conclusion

China’s transformative diplomacy is shaped not only by material capabilities, but also determined by intervening systemic and domestic circumstances including political apparatus, leadership vision and public pressure, misunderstanding and misperceptions. On one hand, China has expanded itself in various domains in the globe; on the other hand, China’s proactivity is quite limited and controlled, concurred with passiveness and under stretch as opposed to material capabilities. The soft expansion model could be used to explain the myth of China’s transformative diplomacy. More importantly, by identifying the pulling and pushing forces of China’s soft expansion, it is plausible to redefine Chinese foreign policy.

1. K.J. Holsti, “International Relations Theory and Domestic War in the third World: The Limits of Relevance,” in Stephanie G. Neuman, ed., *International Relations Theory and the Third World, ,* New York: St. Martin’s Press, 1998, p.106. [↑](#footnote-ref-1)
2. Gideon Rose, “Neoclassical realism and theories of foreign policy”, *World Politics,*  no. 51, October 1998. p.146. [↑](#footnote-ref-2)
3. The major neoclassical realist literature on foreign policies of great powers include: William Curti Wohlforth, *The Elusive Balance: Power and Perceptions during the Cold War*. Ithaca, N.Y.: Cornell University Press, 1993, p.317; Michael E. Brown et al., eds., *The Perils of Anarchy: Contemporary Realism and International Security*. Cambridge: MIT Press, 1995, p.519; Thomas J. Christensen, *Useful Adversaries: Grand Strategy, Domestic Mobilization, and Sino-American Conflict, 1947-1958*. Princeton: Princeton University Press, 1996, p.319; Randall L. Schweller, *Deadly Imbalances: Tri-polarity and Hitler’s Strategy of World Conquest*, New York: Columbia University Press, 1998, p.267; Fareed Zakaria, From *Wealth to Power: The Unusual Origins of America’s World Role.* Princeton: Princeton University Press, 1998, p.199; Steven E. Lobell, Norrin M. Ripsman, Jeffrey W. Taliaferro eds., *Neoclassical Realism, the State, and Foreign Policy*, New York: Cambridge University Press, 2009, p.310; Amelia Hadfield-Amkhan, *British Foreign Policy, National Identity, and Neoclassical Realism*, Lanham, Md.: Rowman & Littlefield Publishers, 2010. [↑](#footnote-ref-3)
4. Rober B. Strassler, ed*., the Landmark Thucydides: A Comprehensive Guide to the Peloponnesian War*, New York: Free Press, 1996, p.89. [↑](#footnote-ref-4)
5. Ibid. [↑](#footnote-ref-5)
6. Alexander Wendt, “Anarchy Is What States Make of It,” *International Organization* 46, spring 1992. [↑](#footnote-ref-6)
7. Fareed Zakaria, *From Wealth to Power—the unusual origins of America’s world role*, Princeton University Press: Princeton, New Jersey, 1998. p4. [↑](#footnote-ref-7)
8. Ibid. [↑](#footnote-ref-8)
9. See Zakaria, *From wealth to power.* [↑](#footnote-ref-9)
10. According to Michael D. Swaine and Ashley J. Tellis, China’s grand strategy is defined in a different perspective. They argue that China’s grand strategy is mainly involved in three interrelated objectives: “first, the preservation of domestic order and well-being in the face of different forms of social strife; second, the defense against persistent external threats to national sovereignty and territory; third, the attainment and maintenance of geopolitical influence as a major and primary state.” “China’s strategy is characterized by a non-ideological policy approach to market-led economic growth and maintenance of amiable international political relations with all states, especially the major powers and a deliberate restraint in the use of force, whether toward the periphery or against distant powers and an expanded involvement in regional and global interstate politics and international institutions.” See Michael D. Swaine and Ashley J. Tellis*, Interpreting China’s Grand Strategy: Past, Present, and Future*, Santa Mnica, Calif.: Rand Corporation, 2000, p.X. [↑](#footnote-ref-10)
11. “Zhong guo wen jian zou xiang wai jiao da guo”, *People’s Daily*, Jan. 27, 2010. <<http://www.qstheory.cn/tbzt/hm/zhls/201001/t20100127_19797.htm>>. [↑](#footnote-ref-11)
12. Wen responded to foreign journalists in News Briefing about China’s emerging assertiveness, insisting that China sticks to peaceful development and will not impact any other country; when China was weak, it did not seek hegemony; even when China becomes strong, and it seeks no hegemony, and will never do so. *China News*, March 14, 2010. <<http://www.chinanews.com/gn/news/2010/03-14/2168096.shtml>>; Premier Wen delivered a speech at UN security council on “safeguarding international peace and security, states that China will unswervingly stick to peaceful development, adhere to defensive security policy, will never seek hegemony and never make expansion, *United Nations*, Sep. 23, 2010. <<http://www.un.org/chinese/News/fullstorynews.asp?newsID=14155>>. [↑](#footnote-ref-12)
13. “Xi Jinping visited Guangzhou military region”, *Xinhua News Agency*, Dec. 13th, 2012. <<http://news.cntv.cn/china/20121213/101279.shtml>> [↑](#footnote-ref-13)
14. Cary Huang, “As China’s navy grows, end of Deng’s dictum of keeping a low profile?” *South China Morning Post*, Jan. 04, 2013. <http://www.scmp.com/news/china/article/1119363/chinas-navy-grows-end-dengs-dictum-keeping-low-profile> [↑](#footnote-ref-14)
15. Pomfret, “newly powerful China.”; Robert J. Samuelson, “the Danger behind China’s ‘me first’ worldview,” *Washington Post*, February 15, 2010; Michael Wines, “China issues sharp rebuke to US calls for an investigation on Google attacks,” *New York Times*, Jan. 26, 2010; Stephen Fidler and Andrew Batson, “Beijing exercises its global leverage,” *Wall Street Journal*, Apr. 6, 2009; Keith Bradsher, “China uses rules on global trade to its advantage,” *New York Times*, Mar 14, 2010; Geoff Dyer and Kevin Brown, “China says Fed policy threatens global recovery,” *Financial Times*, Nov. 15, 2009. [↑](#footnote-ref-15)
16. This behavior is most often cited among Western media to accusing Chinese assertiveness. See Nye, “China’s Bad Bet”; Small, “More assertive China”; Dyer, “Sabre-rattling”; Pomfret, “China’s strident tone”; Jonathan Pearlman, “China flexes its muscles,” *The Age*, Dec. 23, 2009. [↑](#footnote-ref-16)
17. Small, “More assertive China”. [↑](#footnote-ref-17)
18. Small states in “more assertive China” that European officials have recounted private Chinese demands that the EU’s next China Strategy paper should be written ‘together’ and Chinese statements that a failure to lift the EU arms embargo would mean that tin the future Europe ‘will not be able to buy its arms from China.’”, Shambaugh lists several countries and regions that are apparently encountering problems with China, including Southeast Asia, India, Latin American countries, Australia, and Russia. See, Shambaugh, “Chinese tiger”. [↑](#footnote-ref-18)
19. Dyer, “China flexes its diplomatic muscles,” *Financial Times*, Jan. 31, 2010; Pomfret asserts in “China’s strident tone” that with regard to Chinese threats over US arms sales to Taiwan, what happens next will be crucial. China quietly sanctioned several US companies for participating in such weapons sales in the past”; Josh Rogin, in his “What US officials heard in Beijing”, quoted Bonnie Glaser that “ The message that the Chinese are giving us is ‘we’ve had enough; we’re fed up. We’ve been living with this issue of US arms sales for too long and it’s time to solve it.’”, *Foreign Policy*, March 9, 2010. [↑](#footnote-ref-19)
20. China to restructure oceanic administration, enhance maritime law enforcement. *Xinhua News*, March 10, 2013. http://news.xinhuanet.com/english/china/2013-03/10/c\_132221768.htm [↑](#footnote-ref-20)
21. Wang Jianwei, “China’s Rise Calls for New Diplomatic and Strategic Concepts”, *United Post*, 21 Jan. 2011. [↑](#footnote-ref-21)
22. Source: World Development Indicators (2011), *the World Bank*. [↑](#footnote-ref-22)
23. Wang Jisi, “China’s Search for a Grand Strategy”. [↑](#footnote-ref-23)
24. Joseph S. Nye Jr, “The Future of American Power”, *Foreign Affairs*, Nov. /Dec. 2010, PP.2–12. [↑](#footnote-ref-24)
25. See Francis Fukuyama*, the Origins of Political Order: From prehumen times to the French Revolution*, New York: Farrar, Straus and Giroux, 2011. [↑](#footnote-ref-25)
26. For perception and misperception theory, see Robert Jervis, *Perception and Misperception in International Politics*. Princeton: Princeton University Press, 1976. [↑](#footnote-ref-26)
27. See Wohlforth’s *The Elusive Balance* and Melvey P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War*, Stanford, Calif.: Stanford University Press, 1992. [↑](#footnote-ref-27)
28. Chih-Yu Shih and Hsuan-lei Shao, “Global Governance through Self Governance: Pacing the Responsible Major State in the Chinese History of Political Thoughts”, *Wenti Yu Yanjiu*, Vol. 51, No.2, 2012, pp.1-34. [↑](#footnote-ref-28)