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Bid for Regional Hegemony: China's Soft Power Strategy in Asia Pacific

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Abstract China aspires to be a regional hegemon in Asia Pacific region—this requires material as well as social factors This paper focuses on how China is utilizing its soft power to gain social legitimacy in the region. Using Joseph Nye's soft power, it argues that China is using its soft power to develop social acceptance for its new desired role in the region. In this vein, China's Belt Road Initiative (BRI) and Asian Infrastructure Investment Bank (AIIB) are enhancing China's soft power in Asia Pacific region. The paper employs broader definition of soft power and analyzes all non-military tools used by China in Asia Pacific region.

Key Words: Hegemony, Soft Power, Asia Pacific and Social Legitimacy

Introduction

On 26th April 2019, President Xi Jinping, in his keynote speech at the Second Belt and Road Forum for International Cooperation in Beijing, stated that the Belt Road Initiative (BRI) "embraces the historical trend of economic globalization, responds to the call for improving the global governance system and meets people's longing for a better life." He said that the Belt and Road initiative— encompasses "six corridors, six connectivity routes and multiple countries and ports"— is intended to enhance "global connectivity" and "global economic growth" through "global partnership." BRI is not confined to any "exclusive club"; it encourages "the involvement of multiple stakeholders." Through "bilateral, trilateral and multilateral cooperation" on BRI, everyone can reap the benefits of "common development and prosperity." An avid proponent of neoliberalization, he spoke against "protectionism" and supported "inclusive" "economic globalization" which benefits everyone.

President Xi laid down policy measures to address the issues, which critics and skeptics of the initiatives have been raising for sometimes. He said that China will emphasis "green investment" and "sustainable development"; ensure "transparency"; follow "general international rules and standards in project development, operation, procurement and tendering and bidding"; respect local laws; "take a people-centered approach"; "ensure the commercial and fiscal sustainability of all projects"; publish "Debt Sustainability Framework for Participating Countries"; provide "access [to] the Chinese market"; ensure "full intellectual property protection"; decrease tariffs on imports; and stop devaluation of Renminbi.

In recent times, China's global clout and international stature have become pronounced, and is being attributed as a "rising power," with the potential to overtake US to become the next superpower. In his report to the 19th National Congress of the Communist Party of China in 2017, President Xi Jinping admitted to China's "new posture," and said that China "now stands tall and firm in the East." He stated that China's current global influence is unparalleled to anytime in its history, and aimed for China to be a "global leader in terms of composite national strength and international influence" by 2035. China's economic development could also be a model for other countries to follow. He attributed this increase "in China's international influence, ability to inspire and power to shape" on following projects:

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"..pursued the Belt and Road Initiative, initiated the Asian infrastructure Investment Bank, set up the Silk Road Fund, and hosted the First Belt and Road Forum for International cooperation, the 22nd APEC Economic Leaders' Meeting, the G20 2016 Summit in Hangzhou, the BRICS Summit in Xiamen, and the Fourth Summit of the Conference on Interaction and Confidence Building Measures in Asia."

China's growing stature could also be discerned from the fact that China's 2nd Belt and Road Forum for International Cooperation, which was held on 25-27th April 2019, drew heads of 38 countries, notably Russian President. It also included representatives from 90 organizations, including Secretary-General António Guterres of the United Nations and Managing Director Christine Lagarde of the International Monetary Fund. BRI has seen remarkable growth especially since its launch 6 years ago, in 2013. BRI is expected to garner even more traction over time, considering that the 2nd Belt and Road Forum had participation from 9 more heads of States than the 1st Belt and Road Forum, which was held on 14-15th May 2017. Although there is neither " official definition" nor "a list of approved BRI participants," Belt Road Initiative has especially contributed to China's soft power regionally and internationally.

This paper argues that China is enhancing its soft power in Asia Pacific to gain social legitimacy in the region in its bid for regional hegemony. It further argues that the Belt Road initiative (BRI) and the Asian Infrastructure Investment Bank (AIIB) are important diplomatic tools for China's soft power diplomacy in the Asia Pacific region. This paper will only cover China's soft power posturing or strategies in Asia Pacific. The objective of this study is to shed light on China's use of soft power to gain social legitimacy for its desired role for regional hegemony in Asia Pacific; and how other states in the region are changing their preferences due to economic incentives, and are aligning themselves with China's vision. This research is significant as it provides a case study on how an aspiring regional hegemon gains social legitimacy through the use of soft power, and also it comprehensively covers China's use of soft power in Asia Pacific. This paper will proceed in following way: firstly, it will elaborate on the importance of social factors for hegemony; secondly, it will draw parallels between Joseph Nye's conception of soft power and China's; lastly, it will explain how China is developing its soft power in Asia Pacific.

China's Aspiration for Hegemony in Asia Pacific?

China has come a long way since it was founded in 1949. This year marks the "70th anniversary of the founding of the People's Republic of China" in 1949, and the year 2018 marked the 40th year since China opened up its economy for market reform and trade liberalization in December 1978. China has become the world's second largest economy in nominal GDP, and largest in terms of purchasing power parity. President Xi Jinping, in his report to the 19th National Congress of the Communist Party of China in 2017, stated, "China now leads the world in trade, outbound investment, and foreign exchange reserves"; and also "in terms of economic and technological strength, defense capabilities and composite strength." He said that China has "contributed more than 30 percent of global economic growth"; and has been able to sustain "a medium-high growth rate, making China a leader among the major economies."

China's real annual GDP growth in 2017 was 6.9%, "averaging 9.5% through 2017," according to the World Bank. China has been able to lift 800 million people out of poverty and has become the largest "manufacturer, merchandise trader, and holder of foreign exchange reserves." It was also the biggest trading partner of US with a trade surplus of around \$ 419 billion in 2017, according to US Census Bureau. China has now prioritized innovation to "modernize China's manufacturing in 10 key sectors through extensive government assistance"— in view of its lower growth rate, which China categorizes as the "new normal in [its] economic development." It is poised to become the world's largest economy by 2030 according to HSBC.

In contrast to Deng Xiaoping's philosophy of "hide your strength and bide your time," China under President Xi Jinping has become more assertive, and is eager to fill in the "vacuum" which emerged in the "Western leadership" after Brexit in UK and accession of Donald Trump to US presidency. President Xi Jinping envisions a more central role for China in the world and stated, "China is ready to move to the center." He exploited a "strategic window" to increase China's influence at the back of US's waning influence in the world. His vision for China is to develop a "moderately prosperous society" by 2035, and a "modern socialist country" by 2050— this is "the Chinese Dream of national rejuvenation." To achieve this dream, President Xi Jinping has laid down guidelines encompassing all areas, from economy to military to diplomacy. China is advocating "a community with a shared future for mankind and has encouraged the evolution of the global governance system."

China's rise has sparked a lot of debate in recent literature: whether China will be able to sustain its economic growth to become the world's largest economy in terms of GDP; what are China's intentions and interests?; would China be a status quo power or revisionist?; Is China aiming to be a regional hegemon or global hegemon?; what should US strategy be to counter China?; would US and China end up in Thucydides trap?; what could China and US do to avoid confrontation?; and is the world reverting to bipolar or multipolar world? Remaining confined to the scope of the paper, this paper will try to answer whether China aspires to be regional hegemon in Asia Pacific and how China is using its soft power to gain social legitimacy for the said purpose. In order to have conclusive answers to this conundrum, it is important to be able to decipher President Xi 's worldview and China's interests.

President Xi Jinping, at the 19th National Congress of the Communist Party of China in 2017, has explicitly stated that, "China pursues a national defence policy that is in nature defensive. China's development does not pose a threat to any other country. No matter what stage of development it reaches, China will never seek hegemony or engage in expansion." Zheng Bijian, a senior Communist Party official, also expressed similar thoughts in Foreign Affairs magazine in 2005, "China would never seek regional hegemony and remained committed to 'a peaceful rise.'" Others do not agree with this point of view, and believe that it is just matter of time that China will vie for regional hegemony in Asia Pacific. China is consciously misleading others with these statements, so as not to alarm them.

In *The China Reckoning: How Beijing Defied American Expectations*, Kurt M. Campbell and Ely Ratner argue that China has challenged US's expectation that rapprochement with China will modify "China's internal development and external behavior." They proceeded to say that US has always missed the mark in guessing China's moves, and China has successfully tracked its "own course, belying a range of American expectation in the process." China is "ambitious" and slowly "chipping away at the US-led security order in Asia, developing the capabilities to deny the U.S. military access to the region and driving wedges between Washington and its allies." The authors advised US to acknowledge its shortcomings in understanding China's moves, and pay attention on its "own power and behavior and the power and behavior of its allies and partner."

There is still confusion amongst scholars if the path China is on will lead it towards regional hegemony in Asia Pacific or not. Kevin Rudd, former Prime Minister of Australia, said it is "hard to answer [about China's real motives] with real certainty" due to "the opacity of the Chinese political system." However, Oriana Mastro believes that China is strategically remaining ambiguous, but its "ultimate goal is to push the United States out of the Indo-Pacific and rival it on the global stage." She states that "in the Indo-Pacific region, China wants complete dominance; it wants to force the United States out and become the region's unchallenged political, economic, and military hegemon."

If China aspires to be a hegemon in Asia Pacific, then how is it posturing itself in the region? More specifically, what does hegemony entail? Despite substantial material power, China needs to develop soft power to gain "social legitimacy" for that position in the region. Challenging common understanding about hegemony, Ian Clark defines hegemony as:

It [hegemony] does not refer to a set of material conditions in which one state is predominant: it is not, in other words, primacy alone. Neither is it something that is unilaterally possessed by the hegemon, nor something that the dominant state has in its pocket, to save or squander at will. Rather, it is status bestowed by others, and rests on recognition by them. This recognition is given in return for the bearing of special responsibilities. In short, by hegemony is meant *an institutionalized practice of special rights and responsibilities conferred on a state with the resources to lead*.

Clark is of the opinion that hegemony is a "status" that is awarded or recognized by others, after taking on certain responsibilities. It is not something that can be possessed independent of social context. Clark believes that the theorists in the past have focused on the material aspects of hegemony, or the "ability' and 'willingness' of the hegemon to perform that role." He does not dismiss the importance of material factors, but believe that an equally important aspect is "social context of legitimacy" or "social reception of its exercise," or "perceptions and responses of the 'followers.'" Thus, if China aspires to be a regional hegemon in Asia Pacific, then it has to be wary of "social reception" of its power.

In Authority, Status, and the End of the American Century, David Lake differentiates between status and authority, which he terms as "social constructs." He argues that

Status is a claim by major powers and a recognition by 'ordinary' states of the special roles and influence of a limited number of key states with the ability to project coercive force over greater than normal distances. Authority is a claim by dominant states and a recognition by subordinate states that the former have the legitimate right to issue certain limited commands. In short, status is a recognition of coercive ability that confers unusual influence in world politics, whereas authority is legitimate power.

Lake argues that both status and authority require recognition by other states. In China's context, its "status" as a great power, having "coercive force", is accepted, even recognized by the incumbent power. China right now is vying for hegemony in the region, which would mean "authority" or "legitimate right" in Asia Pacific. In order to gain that "authority," China would also have to gain that right through diplomacy or use of soft power in the area.

In A World Order Without Superpowers: Decentred Globalism, Barry Buzon argues that there will be "no superpowers, only great powers" in future. He distinguishes between a superpower and a great power on how extensive one's "reach" is in the international system. He builds up a case why US will no longer remain a superpower and why China will not rise to a superpower position. In both cases, he believes the missing aspect is or will be of "social factor". He gives three factors, which have eroded US's legitimacy "as the sole superpower and leader of international society." He says that, "...a leader without followers will soon become just an ordinary great power, even if still the first among equals." He puts an emphasis on how the hegemon needs followers or else it will not be a hegemon. He further states that "China has yet to acquire "the social attributes" without which it cannot be a superpower, and US will not remain a superpower as it is losing its "social legitimacy." Buzon argues that to maintain or acquire hegemony, social factors are very important as that gives hegemon the authority, legitimate right, for that role.

In *China and Soft Power*, Joseph Nye also said, "legitimacy is a power reality. Competitive struggles over legitimacy are part of enhancing or depriving actors of soft power, and this is particularly true in the information age of the 21st Century." China is working towards developing social legitimacy for its desired role through its use of soft power, whereby others in the Asia Pacific region accepts China's superior status or legitimate authority. The following part will elaborate on the concept of soft power, as conceived by Joseph Nye and also China.

Soft Power: Joseph Nye's vs China's Conception

Sovereignty has been a fundamental principle of international relations for more than 350 years. All States, despite their size and resources, have exclusive and ultimate right over their territory, and are equal in international arena. There is no higher or central authority above them, so states have to secure themselves through self-help. Short of overt occupation, states still try to gain power over others to be able to influence others to get their desired outcomes.

Traditionally, material power was considered the most essential instrument of power. Joseph Nye introduced the concept of soft power in his book *Bound to Lead: The Changing Nature of American Power*, and *Soft Power: The Means To Success In The World Politics*, and later wrote about the concept of smart power in his book *The Power To Lead*. In *The Power to Lead*, Joseph Nye introduces the concept of smart power, "the ability to combine hard and soft power into an effective strategy." According to Nye, power is important for leadership—" you cannot lead if you do not have power." Quoting a dictionary definition, he says, "that power is the ability to affect the behavior of others to get the outcomes you want."

Usually people define power in limited sense in terms of hard power. Hard power is shaped by "inducements (carrots) and threats (sticks)"; whereas, soft power is about "setting the agenda and attracting others without threat or payment." Nye defines soft power as "getting outcomes one wants by attracting others rather than manipulating their material incentives. It co-opts people rather than coerces them." Nye further states, "soft power rests on the ability to shape the preferences of others to want what you want." Hard and soft power both can alter the behavior of others to one's intended objectives; they differ "in the nature of the behavior and in the tangibility of the resources." Nye writes "command power—the ability to change what others do—can rest on coercion or inducement. Co-optive power- the ability to shape what others want—can rest on the attractiveness of one's values or the ability to set agendas of political choices."

According to Joseph Nye, soft power is difficult to get right, but it is increasingly being used in recent times. Although President Xi Jinping has plans to upgrade China's military, China currently does not yet have the material power to challenge US's military dominance in Asia Pacific regions. However, China is developing its soft power to appease concerns of its neighbors of its rapid rise and attract them to its side. According to Nye, soft power rests in three premises, "culture", "political values" and "foreign policies." China is focusing in all three premises: it is developing Confucius institutes, engaging in Panda diplomacy, promoting tourism, and inviting foreign students to China; President Xi Jinping has labeled China's economic development as a "model" for others to follow and confidently speaks about following "socialism with Chinese characteristics"; and encouraging partnerships under BRI and AIIB around Asia Pacific in particular to develop common interests and vision. These have led China to get the desired "outcomes through attraction and persuasion."

China's Soft Power in Asia Pacific

The Belt Road initiative (BRI) and the Asian Infrastructure Investment Bank (AIIB) are being used to enhance China's soft power in the world generally and in Asia Pacific region particularly. In *The One Belt One Road and the Asian Infrastructure Investment Bank: Beijing's New Strategy of Geoeconomics and Geopolitics*, Kevin G. Cai argues that "the OBOR [One Belt One Road] and the AIIB indeed represent an important part of Beijing's overall global geoeconomic and geopolitical strategy." They both are important "diplomatic weapon," which the author categorizes as "Beijing's 'carrot diplomacy,'" meant to enhance China's influence in the Asia Pacific region, gain cooperation, and appease concerns about its rise. According to the author, after 2010, China could no longer conceal its economic and military strength, which "made the status-quo powers and neighboring states increasingly concerned." In turn, China came up with a "comprehensive diplomatic strategy that involves both 'sticks' and 'carrots.'" Using OBOR and AIIB, China is using its "economic power and wealth" to attract countries in Asia Pacific to build "closer" ties with China, to increase "common interests between China and other countries," to reduce their concerns about China's "assertive" foreign policy, and to be able to "manage" the intensity of "the territorial disputes in the South China Sea." These initiatives would render US's "pivot to Asia" or "containment policy" less effective, and would strengthen China's influence around the global in general and in Asia Pacific region in particular.

Kevin Cai believes that China has launched these both initiatives to "play a more active role in the global governance and development and weaken US dominance in the existing international system." This is in line with China's opinion that "the world order" should be built through mutual "consultations" of all stakeholders, or AIIB could also be a bargaining chip to get better terms of conditions in the existing institutions. China has "26.6% of voting power" in AIIB due to being "the largest [monetary] stakeholder" in it. AIIB is seen as an alternative to the "World Bank' for the Asia-Pacific region" and also posing a direct challenge to the "US-dominated financial institutions like the International Monetary Fund (IMP) and the World Bank" and also "the Asian Development Bank." Through these initiatives, China will be able to enhance "its influence in the regional and global economy." These projects will also increase the use of Renminbi "as an international currency" thus enhancing China's influence further. Sharing similar views, Jonathan Hillman, director of the Reconnecting Asia project at the Center for Strategic and International Studies in Washington, said "'It's also a vehicle for China to write new rules, establish institutions that reflect Chinese interests, and reshape 'soft' infrastructure.'"

China has also setup Confucius Institutes in the region to complement with China's growing influence and "advance its public diplomacy agenda." There purpose is to teach Mandarin, promote Chinese culture, and garner "positive opinions of China within a global setting." Even during his 19th National Congress of the Communist Party of China in 2017, President Xi Jinping mentioned the importance of enhancing China's "cultural soft power," and improving China's ability to tell its "stories well" and "present a true, multi-dimensional, panoramic view of China."

Conclusion

In conclusion, the paper has argued that China is vying for regional hegemony in Asia Pacific, and is using its soft power diplomacy to gain social legitimacy for its desired role. China is growing strong politically, economically, militarily and diplomatically. It is becoming confident and assertive in its foreign policy, visible from its uncompromising stance on South China Sea, building a military base in Djibouti, upgrading its military power, and developing its maritime power. China is a mix of a status quo and a revisionist power: fully adapting those US-led institutions, which has served its interests well; and disregarding others, which have not worked well for

it. President Xi Jinping has laid out an ambitious vision of One Belt One Road initiative to connect Asia, Africa and Europe through overland and maritime routes. It includes more than 60 countries, which lie on these routes. President Xi Jinping is increasing talking about a "new" approach to international relations, and world order, which is built on international consensus. China's BRI and AIIB is seen as a direct challenge to US-led world order, and they are diplomatic tools to spread China's soft power to develop common interests and appease concerns about China's intensions to gain desired outcomes.

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