中国与国际关系学刊

JOURNAL OF CHINA AND INTERNATIONAL RELATIONS

Table of contents

Red Trojan Horses?
A New Look at Chinese SOEs' Outward Investment

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Abstract: How dangerous is Chinese outward foreign direct investment (OFDI) because of the state's influence over business, particularly state-owned enterprises (SOEs)? To what extent are business and politics interwoven in Chinese investment decisions? Crucial knowledge is lacking on the relationship between the state and companies in China's OFDI. This study does not claim to completely refute the conventional view that Chinese companies, particularly SOEs, are controlled by the state in their OFDI activities. However, it tries to provide some evidence that suggests the need for a revised look at them. It argues that although Chinese SOEs are supported by Chinese diplomacy and loans in their OFDI and have a tacit understanding of certain strategic goals of the state, they enjoy autonomy to make business decisions and have prioritized maximizing their own business interests. Importantly, this is enabled by the state's view that the profit of SOEs is consistent with national interests.

Introduction

How dangerous is Chinese outward foreign direct investment (OFDI) because of the state's influence over business, particularly state-owned enterprises (SOEs)? To what extent are business and politics interwoven in Chinese investment decisions?

China's outward investment is growing rapidly, changing the picture of regional and global political economy and attracting a great deal of controversy. According to the State Assets Supervision and Administration Commission (SASAC), by the end of 2009, 108 central SOEs have invested overseas with a total asset of over 4 trillion RMB (about 600 billion USD) (http://ccnews.people.com.cn/GB/15203184.html). The Chinese state-run oil company China National Offshore Oil Corporation's (CNOOC) attempted takeover of Unocal in the USA in 2005 triggered Congressmen to call it a "Trojan horse" that would enable China to conduct secret nuclear tests underground, as well as to obtain control of energy assets of the USA (Pelosi, 2005). Other countries remain concerned that China's sovereign wealth funds and SOEs will continue to buy large stakes in publicly listed American companies. Apart from national economic security,

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many democratic countries are also concerned that China's state-owned companies, while claiming non-interference in domestic affairs of other countries, support regimes guilty of gross violations of human rights, such as Iran, Sudan, Zimbabwe, Myanmar, and Venezuela, by investing heavily in and possibly providing military assistance to those countries. Some observe that China may be trying to challenge the dominance of liberal democracy in the world by showcasing the merits of China's liberal economic and authoritarian political model to other developing countries, or by trying to establish a "Beijing Consensus" (Jian, 2011). Still others suspect that China tries to establish a global "Chinese empire" (Terrill, 2004). At the same time, there is concern that China is in a desperate global scramble for control over sources of energy and raw materials, thereby posing a threat to international energy security. China's thirst for energy and resources has also caused resource nationalism in other countries, fearing that their governments would give up too many resources or resource sovereignty to China so that local development would be affected (Burgess and Beilstein, 2013). The preference of Chinese companies to use Chinese employees in their overseas projects has been a sensitive political issue to the host countries, and China's pursuit of free movement of labour into the host country has been regarded as an attempt of serious intrusion upon national sovereignty (Drysdale and Findlay, 2009). The alleged overseas practices of some Chinese companies in corruption, labour exploitation, environmental damage and forging have also undermined the reputation of the Chinese government. Chinese investment in developing countries has been described as self-interested, exploitative and colonial (Alden, 2005; Halff, 2007).

However, crucial knowledge is lacking on the relationship between the state and companies in OFDI in general and that of China in particular. This study does not claim to completely refute the conventional view that Chinese companies, particularly SOEs, are controlled by the state in their OFDI activities. However, it tries to provide some evidence that suggests the need for a revised look at them. *It argues that although Chinese SOEs are supported by Chinese diplomacy and loans in their OFDI and have a tacit understanding of certain strategic goals of the state, they enjoy autonomy to make business decisions and have prioritized maximizing their own business interests. Importantly, this is enabled by the state's view that the profit of SOEs is consistent with national interests.* This view may stem from a combination of reasons, including the government's lack of a coherent long-term OFDI strategy and the fact that the state has been captured by big businesses. The failure of some investment decisions in the

past and the demand from the companies have led the Chinese government to adopt measures that are more market driven and also to bundle together more aid programmes with business projects. The rest of the article will review the existing studies, describe the methodology, provide a brief background of Chinese policy, and present some empirical findings before a tentative conclusion is drawn.

Existing Studies

It has been pointed out in the existing literature of multinational corporations (MNCs) that knowledge is needed on the interplay between home country institutions and firm strategies (Dunning and Lundan, 2008; Child and Rodrigues, 2005). The knowledge gap on state-business relations is especially critical regarding Chinese OFDI.[1] Existing literature mainly describes Chinese business activities and speculates about the relations with the state (e.g. Cai, 1999; Holslag, 2008; Luo and Tung, 2007; Wu and Chen, 2001; Yang, 2005). A few studies have tried to fill this gap, but they focus on China's national policies and the overseas investment behaviour of companies (Xue and Han, 2010; Rasiah et al., 2010), rather than the relationship between state and business *per se*.

In both political-economic theories and business studies on foreign investments, there are debates about the significance of nationality (Encarnation, 1999). Is there anything distinctive about Chinese investment? The answer is inconclusive among existing studies. Some business studies argue that China has developed along the five-stage investment development path as modelled by Dunning and Narula (1996), or that it is still at an early stage marked by low transnationality and little usage of international financing channels (Xue et al., 2011: 86), while others argue that China skipped the first two stages. A more important question, however, is whether the investments have been driven entirely in accordance with the comparative advantage of the domestic industry. Some argue that traditional explanations for FDIs by developed countries apply to China as well, including market seeking, natural resources seeking and, in recent years, strategic assets seeking (for technology, brand and distribution channels) (Wong and Chan, 2003; Xue et al., 2011). Besides, the rationale of emerging country multinationals also applies to China - to avoid domestic competitive disadvantages (Child and Rodrigues, 2005). Others argue that Chinese investments are unique. Overseas Chinese businesses depend largely on the availability of overseas personal relationship networks and invest in culturally proximate

countries (Cai, 1999; Deng, 2004; Yang, 2005; Buckley et al., 2007). They seem to perceive political and business risks differently from industrialised country firms, which may reflect government influence (Buckley et al., 2007; *The Economist*, 2010). Or simply, it is asserted or assumed that they are driven by the government's political motivations (for example, Cai, 1999; Filipov and Saebi, 2008; Forney, 2005; Friedberg, 2006; Zweig and Bi, 2005). However, reliance on personal networks or cultural proximity is a feature of Chinese small and medium enterprises, or its early stage of internationalisation; it does not apply to OFDI by SOEs in the 21st century. Neither does downplay of local political risk mean being driven by state diplomacy with weak or autocratic states.

The perceptions of state control over SOEs and thus the dominance of political-strategic goals behind OFDI are generally based on the following grounds (see for example, *The Economist*, 2010). First, the top management of SOEs is appointed by the Party. The SASAC is charged with appointing leadership positions of the 117 national SOEs, and the Central Organization Department of the CCP manages 53 of them through a nomenklatura system. The system also enables the Party to rotate leaders between companies and between business and state institutions (Brødsgaard, 2012). Second, the state is the largest shareholder in many companies (Hemerling et al., 2006). Third, OFDI of SOEs is financially supported by state commercial and policy banks. Fourth, aid and investment are often packaged together (Gill and Reilly, 2007). There are loopholes in such reasoning; as it is unclear which criteria the Party uses to evaluate managers, which objectives the state as a shareholder pursues through SOEs, or how SOEs become qualified for bank loans or participation in aid projects. For example, Brødsgaard (2012) acknowledges that it is unknown how decisions are made on the transfer of business leaders and state officials; in particular, very little is known about how leaders of SOEs are selected.

Some studies have casted doubt on the conviction of the state's control over China's OFDI, although their voices remain a minority in academic and public opinion. Gill and Reilly (2007) characterise state-business relations in China's investment in Africa as a principal-agent dilemma - increasing tensions between the aims of the government and companies. Houser (2008) emphasizes the same tension between the state and national oil companies in OFDI. Some underline the facts that the commercial pressures on Chinese companies are growing rapidly, and that corporate governance in SOEs is increasingly subject to market disciplines (Rosen and Hanemann, 2009; Hurst and Wang, 2012; Drysdale and Findlay, 2009). This makes it difficult for

the state to directly administer company investment decisions and increasingly defer them to professional firm management. Freemantle and Stevens (2012: 3) underline that "more and more Chinese activity in Africa has little direct support". Drysdale and Findlay (2009) underline that the terms of Chinese banks when lending to SOEs are increasingly commercially based. Armony and Strauss (2012: 8) argue that instead of a "standard view" that Chinese mining companies deviate from western ones in their preference to operate in non-democratic contexts, they prefer "mature and developed mining economies, geographic proximity and direct dealings with other transnational mining companies in lieu of national governments". Gonzalez-Vicente (2012) concurs that Chinese mining companies' preference for specific countries in Latin America are best explained by the strategies and experience of firms rather than by a national strategy dictated by the central government. By mapping the formal institutions of Chinese OFDI, Xue and Han (2010) argue that the Chinese government changed its role in OFDI from strict control to encouragement, approval and supervision.

Little is established, however, about the nature of state involvement in OFDI by Chinese SOEs, in particular the direct interaction between government and companies as well as the informal institutions - working mechanisms, decision making, tacit understandings and unwritten rules. This gap is acknowledged, and further empirical research from a political economy perspective is regarded crucial by existing studies (for example, Armony and Strauss, 2012; Child and Rodrigues, 2005; Buckley et al., 2007, Downs, 2007, Kumar and Chadha, 2009; Xue and Han, 2010). To be more specific, more knowledge is needed on the extent of state interference in company governance and strategic decisions, leniency of bank loans, the reliance of business on diplomacy, and business lobbying over China's OFDI policy and institutions. Moreover, there is limited knowledge on whether Chinese OFDI policy consists of a development strategy for host developing countries or an agenda to challenge dominant powers and the liberal democratic norm (Brautigam, 2009; Jiang, 2011b).

Policy Background

China's overall policy towards OFDI has changed from restriction to promotion. From 1979 to 2000, directed by a national economic strategy that relied on inward FDI and export, and constrained by limited foreign reserves, the government did not actively encourage outward investment. Although in 1992, the 14th CCP's Congress laid down the policy to expand Chinese

outward investment and international business, in the 1990s only a few domestic companies ventured overseas, mainly in the energy and resources sector. For instance, the government took little notice of CNPC's first forays into Peru, Sudan and Kazakhstan until the mid-1990s (Xu 2007). At the same time, a number of large SOEs were granted greater autonomy over their foreign operations (De Beule and Van Den Bulcke, 2010; Xue and Han, 2010).

The scale and nature of China's outward investment have changed significantly in the 21st century. In 2001, encouraging outward investment became part of the 10th Five Year Plan. "Going out" officially became a national strategy in 2002 at the 16th CCP Congress, which was described as "concerning comprehensive development and future of national development" in the Party's work report.[2] The supportive measures, however, were found to be inadequate by the Development Research Center of the State Council, compared with other countries (Wong and Chan, 2003). More substantial measures were taken in 2004, when the National Development and Reforms Commission (NDRC), with the support of other government agencies, issued a series of policy notices on the measures to support "important projects encouraged by the government" to investment overseas.[3] They listed four categories of projects that the government would support: first, those that help to obtain important energy and resources; second, those that help to export labour and machinery; third, those that help to obtain advanced technology and management experiences; and finally, those that help China to participate in the restructuring of global production. The measures of support include giving preference in granting licences by the NDRC, as well as providing loans and financial insurance, financing support, and establishing risk security mechanisms through the China Import & Export Bank, the China Export & Credit Insurance Corporation (SinoSure), and the China Development Bank. It was the most determined and specific step that the Chinese government had taken to support outward investment.

Several policy objectives are prominent in the government's push for outward investment: to reduce low-return foreign exchange reserves, to secure a "stable" - long-term and stably priced - supply of energy and resources, to obtain advanced technology, to promote Chinese "global champions" as a component of national competitiveness and great power status, to circumvent trade barriers and reduce competitive and employment pressures in the domestic market, and to pursue diplomatic relations with destination countries. The government's encouragement of overseas investment was a response to changing domestic and international conditions. Domestically, the development model of the past two decades resulted in problems such as

energy shortages, inflationary pressure because huge foreign reserves accumulated from trade surpluses, over-capacity in production and an increasingly saturated domestic market, rising unemployment and risk of political instability, and slow progress of technology advancement. Internationally, the policy to boost overseas investment is a reflection of a more competitive international environment, as well as China's more proactive embrace of globalization and its determination to play a major role in the global political economy through "corporate representatives" and investment diplomacy. Encouraged by government policy, China's OFDI has since flourished.

In the global financial crisis, Beijing launched another push for OFDI. The China Banking Regulatory Commission (CBRC) allowed commercial banks to lend money to fund the transaction price of M&As. To simplify the approval procedures, the Ministry of Commerce (MOFCOM) published "Administration of Overseas Investment" and NDRC published "Working Approval Procedure of Overseas Investment" in 2009.[4] By 1 June 2011, China had signed 130 bilateral investment treaties and 121 double taxation agreements.[5]

Methodology

Because there is little documentary data of the state's role in Chinese OFDI, this study tries to break the ground by using case studies and interviews. It focuses on SOEs (majority or entirely state-owned) for three reasons. First, they have led the international expansion of Chinese companies, entering new territories and carrying out big projects. Second, they rank high in China's top MNEs by foreign assets (Xue et al., 2011). Out of the top 18 MNEs, 16 are SOEs; SOEs account for 69 per cent of total Chinese OFDI stock by the end of 2009, and central SOEs account for 67.6 per cent of total OFDI flow in 2009.[6] Third, it is a fact that most private enterprises are not controlled by the state and operate according to their business interests. In other words, SOEs constitute the hard case here in arguing for business autonomy.

Two rounds of fieldwork were carried out in July 2009 and September 2010, consisting of interviews with involved persons in a few big companies (one of the biggest companies in each of the following sectors: telecommunications, construction and petrol), state institutions (NDRC), as well as government think tanks (DRC, CICIR, CPS, CASS, CAITEC) and academic institutions (UIBE). Therefore, this study is case based, supplemented with anecdotal information, and contains the risk of personal or institutional biases. It would also have been

advantageous had there been more cases of companies. However, even scant evidence is here considered useful for challenging the conventional wisdom mentioned above.

The questions asked to interviewees mainly contain the following aspects:

1. To what extent is the state involved in the management of Chinese MNCs?

1a. How large a share does the government hold in the company, and what are the ownership as well as the governance structures of the company in general?

1b. Where do companies get funding for OFDI? How do state banks examine loans applications for OFDI?

1c. To what extent does the government control the personnel and other management decisions of the company?

2. To what extent are Chinese OFDI driven by strategic purposes of the state or by pure commercial goals of the companies?

2a. To what extent does the company rely on government diplomatic relations to establish or expand business?

2b. What is the proportion of natural resources that the company sells in the global market instead of bringing back to China (in the case of a resource company)?

2c. To what extent does the company take into account state strategic demands in investment decisions?

3. To what extent can companies influence the government's policy or even induce change in the domestic institutions related to OFDI?

3a. How do companies try to lobby the government in granting them favourable policies for OFDI or even change the regulations?

3b. What do companies think that the Chinese government should change?

Empirical Findings

Application procedures of OFDI

Only applications of projects with the usage of foreign currency of above 10 million USD, or 30 million USD in resource projects, need central government approval (see Figure 1). The application system is also changing from one of approval to one of registration.
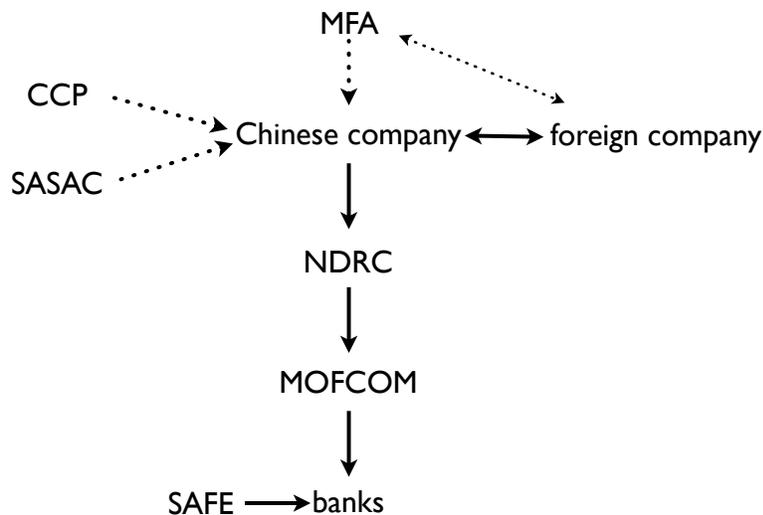
Figure 1: Application Procedures of Chinese OFDI (source: author's own compilation based on interviews).

A few characteristics can be noted from the OFDI application procedure before going into more detailed discussions of individual elements.

First, The Ministry of Foreign Affairs (MFA) does not play a formal role in the approval process of OFDI. As will be discussed later, MFA supports business through building business connections, providing local information and sometimes diplomatic pressure on the host country government or companies.

Second, the Organization Department of the Party and the SASAC are not directly involved in the approval process. As will be discussed in the next section, SASAC prioritizes the increase of value of state assets, and it only tries to strengthen supervision when companies make substantial losses. In June 2011, in response to scandalous losses that some central SOEs have made in their overseas investment in recent years, SASAC came up with two policy documents to strengthen supervision and reduce the risk of state asset losses (http://www.cssn.cn/news/379081.htm).

Third, the most decisive agencies in the procedure are NDRC and MOFCOM, both of which are mainly concerned with national economic interests rather than foreign policy interests.

NDRC checks proposals of OFDI projects that are worth above 10 million USD to see if they are consistent with the national development plan (interview at NDRC). MOFCOM checks the contract to make sure it does not conflict with domestic law or China's international treaties and that it does not harm bilateral relations. However, as Gill and Reilly (2007) point out, MOFCOM does not have direct authority over either SOEs or their overseas operations. Although SASAC is the "owner" of SOEs, as mentioned above, it only supervises SOEs to prevent serious loss after investment has been made. Therefore, NDRC plays a stronger role in vetting proposals from strategic sectors where many SOEs operate. As a "super-ministry" overseeing national development, it has a few concerns within national security broadly defined - energy security and food security. This certainly translates into an encouraging policy for overseas scrambles for commodities, but there does not seem to exist any specific policy on the choice of investment destination or quota of how many resources the companies have to bring home.

The State Administration of Foreign Exchange (SAFE) has ample foreign reserve and puts little constraint on its usage in OFDI.

Fourth, big mergers or acquisitions often start with companies negotiating between themselves, and only when they have come to an agreement do they apply for government approval, as was the case with CNOOC and Unacol (interview at NDRC). SOEs usually conduct a feasibility study, sometimes hiring external consulting firms, to examine the profitability of the potential investment. One problem is that consulting firms sometimes collude with the target company (interview at a telecom company).

The State's Control over SOEs in general

In contrast to a general belief that the Chinese party state controls SOEs by appointing top managers and granting financial support (*The Economist*, 2010; Gill and Reilly, 2007; Brødsgaard, 2012), it is argued here that the state has been captured by business interests. In today's China, the government and regulators are captured by the big SOEs. Their perceived role in managing state assets and providing employment is extremely important to the state, and they have successfully stalled reform in major areas of China's economic life in the past decade.

The political power of SOEs rose together with their economic positions in the past decade - their profitability is questionable, but their sheer size bespeaks their weight. After its accession to the World Trade Organization (WTO), China gave up earlier unilateral liberalisation

and adopted a strong industrial policy with the ostensible aim of developing national industries and global champions, just as the model of the developmental state prescribes. Under the Hu-Wen government, thanks to industrial policy, fiscal subsidy, preferential bank loans and the restructuring of SOEs as large oligarchs, the state's monopoly over some sectors has intensified.

Indeed the top managers of central SOEs are appointed by the Department of Organisation of the Party. The Department of Organisation and SASAC, however, consider the size, assets and especially the profitability of the enterprise when they evaluate and appoint top SOE managers (author's various interviews in Beijing in 2011). A major mechanism of state control over SOEs is the annual evaluation of enterprises and their managers by SASAC. The SASAC's power in the Chinese political system has risen significantly in recent years, particularly in relation to their overseeing authority over SOEs. According to various interviewees, the main criterion for said evaluation is their ability to keep and increase the value of state assets, as stated in the Mission of SASAC.[7] The same goal applies to SOE's overseas investment. In other words, profitability, or at least the ability to earn profit, is an extremely important goal for SOEs (also see Gill and Reilly, 2007). The manager of China Steel, Huang Tianwen, had to resign because of losses made in excessive overseas expansion. SASAC used this case to warn other SOEs in the same sector (MinMetals and China Railway Materials) against similar business behaviour (interview at DRC, also see http://finance.591hx.com/article/2011-07-04/0000044495s.shtml). Chen Jiulin of China National Aviation Fuel and Rong Zhijian of CITIC Pacific were also penalized for their loss-making speculation in overseas financial derivatives (http://www.sinotf.com/GB/News/1001/2011-07-27/2NMDAwMDA3MjU2Nw.html).

Among the CEOs of central SOEs, a significant portion have risen up the ladders in the same sector, accumulated technical and business knowledge, and demonstrated their business capabilities. Among the 122 selected appointees from 2003 to 2011, 51 came from the same enterprise or the same sector, 57 came from other SOEs, and only 4 were rotated from a government position (*Beijing News*, 2011). In 2013, 56.7 per cent or 64 of CEOs of 113 central SOEs were chosen from within the company. Among them, vice-ministerial rank SOEs have a higher proportion of CEOs from the same enterprise (59.6 per cent) or enterprises in the same sector (21.2 per cent) (*Xinwenhua*, 2013). 42 per cent of 122 open-hiring positions of executive

managers at SOEs from 2003 to 2011 were taken by candidates in the same enterprise, and 47 per cent from other SOEs (*Beijing News*, 2011).

Even when managers are selected to change to political positions, the choice has been based on their performance. According to SASAC, parachuting some top SOE managers to take leadership of local governments is a trend and experiment in Chinese politics. The managerial skills and market perspectives of those managers are considered complementary to traditional government administrators (*China Times*, 2011). Only in extraordinary conditions are SOE managers' "political loyalty" questioned, for instance if they are involved in scandals or have shown inability to deal with labour unrest.[8]

A number of studies have shown the increasing independence and political clout that SOEs enjoy in Chinese domestic politics, thanks to government institutional reform, the perceived role they play in employment and the national economy, and the informal political ranking of SOE managers (see, for example, Lieberthal and Oksenberg, 1988; Nolan, 2001; Downs, 2008). In recent years, major initiatives of reform were stalled or pushed back because of resistance from SOEs and state commercial banks, including recent efforts of financial reform, reform of income distribution and legislation to curtail monopolies. Financial suppression — heavy taxation on savers and subsidies to SOEs and state commercial banks —has been a cornerstone of the development model, and "2009 marked the end of banking reform as advanced since 1998" (Lardy 2008, Walter and Howie 2011: 76). Initiatives to reform income distribution have been thwarted repeatedly because of resistance from vested interests, in particular from SOEs to a proposal to break up monopolies, according to people involved in the internal discussions. In response to public criticism, SASAC claimed that they did not have control over this matter (Chen, 2013). Similarly, the Anti-Monopoly Law, which entered into force in 2008, exempted sectors monopolised by SOEs. Explaining such phenomena, Gao Shangquan, former Director of the State Commission for Restructuring the Economic System that existed from 1982 to 1998, was quoted as saying that, compared with current conditions for reform, reform in the 1980s had a lot of momentum and few objections, and the leadership had authority then (Teng, 2013).

Anecdotal evidence also suggests that SOEs enjoy significant autonomy in their business decisions, sometimes in defiance of the government's orders during the financial crisis, for example, to stop risky financial derivatives businesses, to allow non-property companies to exit

the real estate market, to allow more room for private businesses and to limit the salaries of SOE managers (see, for example, Jiang, 2009; Zheng, 2010; Zhong, 2011). Such defiant behaviour demonstrates that the pursuit of profit is extremely important for SOE managers, not only for their business careers or potential political careers, but also for their short-term personal wealth.

Some SOEs are also under the supervision of the relevant industrial ministries (for example, telecommunications, construction, transportation, and railways until March 2013), which have their own interest, and local SOEs are managed or supported by local governments. Industrial ministries and local governments are certainly interested in maintaining their regulatory power over SOEs, as this produces leverage and rent. At the same time, the ministries try to maintain state oligopolies, their shares in the domestic market provide guidance on pricing and ensure the state's tax revenue. For instance, Unicom and China Mobile have been the two biggest telecom oligopolies, and when one pushes the other too much in domestic market competition, the Ministry of Industry and Information Technology (MIIT) would intervene and stop the winner from predacious activities (interview at a telecom SOE). However, the effectiveness of such intervention is questionable. Since government units rely on their SOEs for revenue, employment and performance in political competition, they are sometimes taken hostage by SOEs and act as their representatives. The two telecom companies engaged in price wars in 2001 despite a ban by MIIT and the State Planning Agency in 1999 (http://book.sina.com.cn/2003-04-24/3/5274.shtml). Similar competition is seen between Sinopec and CNPC, only these two compete to buy oil and result in price hikes in the domestic market (http://book.sina.com.cn/2003-04-24/3/5275.shtml). The capacity of ministries to supervise or intervene in companies' overseas business activities is even weaker.

In short, the criteria for evaluating SOE managers reflect the overall strategic purpose of the Chinese state for its overseas investment, which will be discussed later. Rather than the widely held assumption that China uses FDI to, first of all, challenge a neoliberal world order and build diplomatic alliances with enemies of the West, the pursuit of economic benefits (based on China's comparative advantage) is more important. It also shows that the state currently does not distinguish SOE's interests from the state's interest and presumes that profitability of SOEs is of interest to the nation.

Funding

State financial support – subsidies and easy access to loans – is one of the major reasons for the widely held argument that SOEs are foreign policy tools and do not play by market rules in OFDI. Indeed, the state is the biggest investor and shareholder in SOEs, and the success of *zhengqi fenkai* (separation of the government as investor from the management of enterprises) in SOE reform has been questioned. However, as mentioned earlier, SASAC and a few industrial ministries represent the state to invest in SOEs and they pursue economic gains above all. Two other qualifications should be added to that line of argument.

First, SOEs often use their own funding for OFDI activities, without applying for loans for each project. It may come from overseas listing of a subsidiary, direct support from the domestic headquarters, or money that the company earned overseas by way of reinvestment. For instance, Chinese oil companies, in most cases, do not need external capital to finance their overseas investment (Houser, 2008).

Second, state commercial banks have their own set of rules for loans and they are quite strict. They understand the general policy of the state to encourage "going out" in several categories of activities, but they also have much autonomy in carrying out commercial assessment. The China Banking Regulatory Commission requires banks to have strict rules for OFDI loans, and loans are given to projects with good business prospects, although lack of experience and local information is considered the reason for the losses of many projects (interviews at CAITEC, a telecom company and a construction company).

The state policy banks – the China Development Bank (CDB) and Ex-Im Bank – naturally support state strategic goals. CDB states that it supports enterprises in going out to obtain oil, natural gas, metal and mineral resources, as well as in diplomacy -- it supports infrastructure and agricultural-forestry projects in countries with important diplomatic relations, mainly in Asia, Africa and Latin America. At the same time, the CDB emphasizes its success in business terms and its brining profit to the shareholders (Ministry of Finance and Central Huijin Investment Company Ltd).[9]

Third, it is not only SOEs that receive state support. Private companies followed SOEs in the wave of overseas investment, and they received little government support initially. But the government is beginning to redress the matter by supporting successful companies such as Huawei and ZTE. These successful private Chinese companies, particularly those figuring on the

Fortune 500 list, are considered "national champions", and receive government support in the form of R&D, funding, and help with market exploration. Business success is an important consideration in the government and banks' decision of giving support (interview at CPS, DRC).

The Role of Diplomacy and Foreign Policy

Without doubt, China's push for going out has political strategic considerations. Some regions such as Asia and Africa are considered important targets for diplomacy and therefore investment is encouraged there.

When China initiated its "going out" policy in the late 1990s, the state selectively pushed a few SOEs to invest overseas. For instance, former CEO of CNOOC, Fu Chengyu, was often called upon by the State Council to discuss acquiring mines overseas, including in Indonesia (interview at CCPS, 2011).

When Wu Jianmin was Ambassador to France (1998-2003), he found that Chinese companies there needed support and resources from the government, because local nationalism and unfamiliarity with laws hindered their success. For example, when the negotiation between a French airplane parts manufacturer and a Chinese company were in a deadlock over price, Wu met with the manager of the French company and told him not to focus only on this bill of business. Rather, he should have a long-term view and give some concessions this time for future benefits. Then the French company gave concessions. Wu was inspired by Henry Kissinger who, after retirement from diplomacy, started a consulting company to help companies. Wu visited the consulting company in the 1980s (interview at CCPS).

Partly thanks to Wu's advocacy of diplomatic support to Chinese companies, the government started to implement a strategy of going out in different regions of the world around 2002, including Africa, Asia, Western Asia, the Middle East, Eastern Europe, Russia and developed countries. As going out was considered part of economic diplomacy, Chinese embassies started to actively study existing opportunities in the host countries, especially if the country is an important target for going out or economic diplomacy. They provide information and legal consultation to Chinese companies, and use their local government and business networks to facilitate business (interview at CCPS).

Apart from supporting company initiatives, embassies would come up with proposals of sectors in the host country that would constitute an investment potential for Chinese companies,

and then invite domestic companies in those sectors to consider the opportunities. MOFCOM also leads "shopping delegations" to other countries in the same fashion whereby MOFCOM plans sectors and invite companies. Then MOFCOM obtains agreement from the MFA and submits the proposal of delegation to the State Council for approval (interview at CCPS).

The Chinese government cannot monitor the local behaviour of all Chinese companies including SOEs. Therefore poor labour and safety standards, exploitation of natural resources and the tendency to hire Chinese workers are amongst the reasons that China is labelled as neo-imperialist or neo-colonialist. As Downs (2007) reports, MFA often struggles to keep abreast of investments that have already occurred. The Chinese government became aware of this criticism in 2005, and at the 2006 Central Working Meeting on Foreign Affairs, it was stated that China should consider the partner countries' interests while pursuing economic benefits. The government can only pick examples for occasional review and correction of such image, such as in Africa. One indirect way is to alleviate debt of those countries, and another way is through the investigation by Chinese embassies over Chinese companies there (interview at CCPS). Over the past three years, MOFCOM and MFA have formed working groups, which have dealt with many cases of irresponsible local behaviour of Chinese companies (interview at UIBE, 2011).

In short, with regards to the extent of state strategic influence over business, SOEs' OFDI is seen by the government as part of economic diplomacy, and SOEs in strategic sectors receive diplomatic support to pursue business interests, as the latter are seen as being consistent with the state's interest. In particular, overseas investment of all central SOEs can get support from the State Council because they are in strategic sectors. It should be noted, however, that the state largely plays a supportive role rather than being a mastermind that directs business decisions, as will be discussed in the next subsection.

Business Decisions

The search for investment opportunities and choice of destination are normally carried out by enterprises, as the government is not considered as having adequate information about local business environment, and companies are responsible for their own profit or loss (interview at CASS, DRC, a construction company and a petrol company). Contact with the target host country or company is also usually initiated by companies. There are two exceptions. First, as mentioned earlier, MFA investigates local business opportunities and invite domestic companies

to consider. Second, MOFCOM invites domestic bidders to participate in official aid programmes. In any case, MFA and MOFCOM play a supportive role in providing local information and leading shopping delegations, but the main actor to forge business relations is the actual enterprises.

Competition is not rare between SOEs in foreign markets, either in bidding or market share. They also compete for the "preferred bidder" status with officials at home (*The Economist*, 2010). Sometimes one Chinese SOE cooperates with foreign companies to compete with another Chinese SOE. For instance, China Railway Construction, together with CITIC and a Japanese company, beat China Construction in an Algeria project, although the latter had had long-term presence in Algeria. CNPC, together with a Malaysian and an American company, beat Sinopec in a Sudan oil pipe project bid in 2005 in a vicious price war, although Sinopec had cultivated the market for ten years (Ren and Wang, 2004). Sometimes competition between Chinese companies becomes so vicious that the local diplomatic mission tries to interfere to stop their malicious competition.

It is a foreign policy concern amongst western countries that China's is actively investing in "problematic" countries — countries with high political risk, anti-West, or "rogue states". Chinese companies and academics claim that this is because a market exists in places that the West has not occupied. It is argued in scholarly work that technology is another determining factor behind Chinese oil companies' preference of onshore locations. Besides, failed M&A attempts in western countries, such as CNOOC's failed bid for Unocal, have had a significant impact on the psyche of SOEs (Houser, 2008). However, dangers posed by local conflict to Chinese personnel and properties in unstable states such as Sudan and Libya, as well as crimes such as kidnappings and attacks on oil fields in Nigeria and Ethiopia, have taught the Chinese to reassess and distribute risk. In fact, MOFCOM discourages companies from investing in Sudan. The government tries not to be especially close to one side but seeks cooperation with both sides (interview at CASS).

China's tendency to sign long-term contracts of upstream resource exploration is also an international concern as it disturbs the global commodities market and may trigger similar mercantilist behaviour in other countries, thus brewing great power conflicts. That tendency is explained by the frustration that the price of what China buys in the global market would be

pushed up by western financial institutions. In order to obtain stable, relatively cheap supplies, Chinese companies pursue upstream contracts.

Interviews with various academics and companies show that the government advises companies to sell resources back to China, but there is no such formal rule, and it allows them to pursue profits too on the international market, as it is considered good for government revenue. It is understood by resource SOEs that they should bring resources back in compliance with the national energy and resource strategy. However, it is often more profitable to sell domestically at a managed price or large demand. When the domestic price is lower than the international price, SOEs would sell more internationally, which in turn would force the government to raise the price of petrol. Otherwise, SOEs would demand subsidy from the state for them to sell domestically (interview at UIBE, DRC, NDRC). SOEs also have the freedom to sell their overseas production on the international market instead of bringing it home. For example, most of the equity oil produced by the three national oil companies was sold on the open market to the highest bidder. Despite the criticism over China's support of Sudan, CNPC sold most of its Sudanese oil to Japan in 2006 (Houser 2008). A debate among the Chinese leadership, therefore, has been whether it is effective to rely on Chinese companies' overseas production for energy security (Downs, 2004; Jakobson, 2007).

Business Lobbying

The influence of SOEs on government has increased dramatically in the past decade, and they have started to try to gain favourable policy for OFDI, though on a limited scale. One channel of influence is the "rotating door" between business and political circles, and the administrative ranks that some SOE managers enjoy. At present, 14 business groups are represented in the Central Committee of the CCP and they try to influence national policy within their fields of expertise (Brødsgaard, 2012). SOEs may also fund research projects at academic institutions to indirectly influence government policy, or organize their own research and send their findings to the government (interview at CICIR).

In general, SOEs and academics feel that the government does not have systematic support or monitoring mechanisms, or a strategy, for outward investment in the government. To SOEs, it implies both great freedom to make business decisions and carry out business activities, and also a source of frustration as they expect more diplomatic and information support. It is

widely felt that the government's policy and management of overseas investment are short-term oriented and lack strategy. Japan is often cited as an opposite example, whose government strategically and discretely used aid to pave way for investment, and helped companies avoid many costs.

Concluding Remarks

It is not the purpose of the paper to argue conclusively that Chinese SOEs are not controlled or influenced by the state in their overseas investment decisions. However, evidence suggests that this generally held assumption should not be taken for granted. SOEs' profits or market share are often the most important consideration in their overseas activities, and usually the state regards it consistent with national interest. Whether it embodies the capture of the state by business interests, state corporatism, state capitalism or crony capitalism is beyond the scope of this paper and deserves further empirical research of state-business relations in China.

Moreover, as a number of studies have suggested, developed countries have adopted similar measures to enhance firm competitiveness and promote national interests, for instance as regards natural resources supply, industrial restructuring, and foreign market access. The measures included financial, fiscal, information and technical support, industrial policy and official aid (Buckley et al., 2010; De Beule and Van Den Bulcke, 2010; UNCTAD, 2001; Solis, 2003). Except in the case of countries under sanctions, such as Sudan, there are almost no strings attached by the West to its companies' trade or investment, or to its commercial banks loans in Africa. China's use of commodity-secured lines of export buyers' credit are similar to commercial instruments that have been used by Japan and western banks for a long time (Brautigam, 2011). To gain a deeper understanding of China's international investment, it is more helpful to investigate state-business relations, as that would help explain the where, how and why questions of China's "going out".

Notes

[1] For studies on China's outward investment, see Luo *et al.*, 1993; Zhan, 1995: 72; Cai, 1999; Wu and Chen, 2001; Xue and Han, 2010; Yang, 2005. For broader discussions on outward investment of developing countries, see for example, UNCTAD, 2005; Sauvant, 2008.

[2] The report is available at http://www.chinadaily.com.cn/language_tips/2013cnencpctps/2013-11/26/content_17141193.htm, accessed 11 April 2014.

[3] The policy notices include "jingwai touzi xiangmu hezhun zanxing guanli banfa (Interim Management Procedures for the Approval of Overseas Investment Projects)", issued by the NDRC; "guanyu dui guojia guli de jingwai touzi zhongdian xiangmu geiyu xindai zhichi de tongzhi (Notice of Giving Credit Insurance to Overseas Investment in Important Projects Encouraged by the Government)" issued by the NDRC and China ExIm Bank; "guanyu kuaguo gongsi waihui zijin neibu yunying guanli youguan wenti de tongzhi (Notice of Internal Operation and Management of Foreign Exchange in International Companies)", issued by the State Administration of Foreign Exchange.

[4] The document is available at http://us.mofcom.gov.cn/aarticle/subject/investguide/lanmuthree/201201/20120107934992.html, accessed 11 April 2014.

[5] See UNCTAD country-specific lists of BITs and DTTs. Available at http://archive.unctad.org/Templates/Page.asp?intItemID=2344&lang=1, accessed 11 April 2014.

[6] See the 2009 Statistical Bulletin of China's Outward Foreign Direct Investment. Available at http://www.fdi.gov.cn/pub/FDI/wztj/jwtztj/t20100920_126763.htm, accessed 11 April 2014.

[7] Available at http://www.sasac.gov.cn/n2963340/n2963393/2965120.html, accessed 14 April 2014.

[8] For instance, the 2002 case of Ma Fucai of PetroChina/CNPC Daqing and Li Yizhong of Sinopec Shengli, in Downs, 2008.

[9] Available at http://www.ecdc.net.cn/events/tcdc0601/zh/tcdc7.htm, accessed 14 April 2014.

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Greening Africa-China Relations:
African Agents Punching Below their Weight?

Negusu Aklilu[*]

Abstract: China is changing the global metabolism of goods and resources. In the last few decades, China has launched an unprecedented and unparalleled economic engagement with Africa. The level of Chinese investment on the continent is still very low relative to its investment in other regions whereas, for many African countries, China has already become the leading trading partner in terms of both import and export business. In fact, China has surpassed the U.S.A. as the single largest trading partner of Africa in 2009. One key area of debate in this evolving relationship has been the growing environmental footprint of the partnership. Unlike in the past, environmental issues have now taken center stage in world politics mainly due to the increasingly daunting challenges nations are confronted with in terms of environmental and climate change crises. It has taken China quite some time to realize that environmental protection is a matter of survival and not a luxury. Hence, the Government of China has been issuing rules, regulations, and guidelines to encourage more sustainable economic development. Corporate Social Responsibility (CSR) has been vigorously introduced to the business sector since the mid-2000s in an attempt to achieve this objective. The outcome of this policy direction has been positive in that many businesses have been forced to adhere to the strict guidelines; it also reflects burgeoning social activism against pollution and environmental destruction at home. This has, however, had its downside because companies started to expand to regions with poor governance and weak environmental regulations, notably Africa. There is already some evidence that Chinese investment in Africa, if not regulated properly, would repeat the history of pollution in China. This article argues that the limited success that CSR has registered in China could be repeated in Africa only when African states start to engage strategically with rising powers like China. African governments need to strictly enforce environmental policy and empower non-state actors, particularly civil society organizations (CSOs), to actively monitor developments and safeguard the environment.

Introduction

In the current decade, there is a growing body of literature arguing against the longstanding assumption that Africa's agency has been too weak to impact on the choice and decision that the continent needs to take regarding its development. In line with this, Brown and Harman (2013: 1) posit that "in the second decade of the 21st century, when African actors established a sustained

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track record of assertive, high-level diplomacy and during which the continent has seen long-term economic growth, the [weak African agency] approach has started to look ever more anachronistic." The central tenet of this argument is that African engagements with external powers have become increasingly more balanced rather than being dominated by the latter so structural constraints do not eclipse agency altogether. Some processes cited as evidence are the growing assertiveness of developing countries (including Africa) in the UN reform discussions, the global climate change negotiations (Zondi, 2013), and the global trade negotiations under the World Trade Organization (WTO) (Lee, 2013). Shaw (2013) emphasizes that evolving African agency is showcased by "new regionalisms" involving non-state actors like the Nile Basin Initiative; "new multilateralisms" in the areas of conflict diamonds, landmines, fisheries, trade in small arms; and the emergence of "innovative sources of finance" including global solidarity fund, climate change fund, remittance taxes, and of course, emerging donors prominently China. Another innovative aspect of finance mobilization worth mentioning is the construction of the Renaissance Dam by Ethiopia, the largest in Africa, with 100 % of its $4.5 billion contribution coming from domestic sources, involving no external development support. As a development practitioner who served as an advisor in a bilateral development agency in Ethiopia, I have had the opportunity to witness that the level of assertiveness by the government has been unusually high.

There is a growing receptivity to CSR processes by Chinese businesses. China currently being a leading trading partner to Africa, this positive trend in CSR receptivity will have implications in greening the China-Africa relations. This article looks at the state of CSR evolution in Chinese overseas businesses as it specifically applies to Africa-bound investments; it tries to gather some evidence on harmful practices of Chinese investments in Africa; and it analyzes whether there has been any role played by African agency in minimizing negative impacts. I draw exclusively on a desk review of the available literature on the environmental footprint of China in Africa, and the ongoing debate on whether CSR initiatives have been effective in ameliorating environmental impacts of expatriate businesses in Africa. Owing to the fact that there is limited published information available on this topic, my review points to the need for systematic empirical research that involves Chinese investment in various parts of Africa in order to get a clearer and more precise picture of what is really happening in terms of both environmental impacts and the role of African agency in the process.

China's Economic Development: The Environmental Externalities

China's consistent economic growth of 8 to 12% over the last two decades (Mol, 2011; Simons, 2013), which brought millions of people out of poverty, has come at a great environmental cost both domestically and globally (Tan-Mullins and Mohan, 2013; Zadek et al., 2012). Turner and Ellis (2007) illustrate that its economic success has cost it dearly with ecological destruction characterized by smoggy cities, black rivers, pervading deserts, and degraded coastal waters, causing a serious threat to China's economy, public health and social stability. Examples abound. According to Turner and Ellis, sixteen of the world's 20 most polluted cities are found in China due to air pollution from cars and coal and Linfen, a major coal-mining city in Shanxi Province, is the most polluted in the world. Air pollution causes as many as 400,000 premature deaths and 75 million asthma attacks every year. Sulfur dioxide induced acid rain is not only affecting two-thirds of the country and may be reducing crop yields by as much as 30 %, but also nearly 50 % of it in Korea and Japan is traceable to China. Industrial dumping of untreated wastewater into rivers is rarely abated and municipal wastewater treatment rates are appallingly low, at 30 % nationwide. Thus, unchecked emissions have left half of China's rivers so polluted that their water cannot be used by either industry or agriculture. Moreover, 25 % of the Chinese population, mainly in the rural areas, is drinking unclean water.

Chen et al (2013) conclude in a recent study that China's explosive economic growth has led to relatively anemic growth in life expectancy. As such, air pollution from coal use has reduced life expectancy by about 5.5 years in northern China due to an increased incidence of cardiorespiratory mortality. An official of the Beijing City Municipality has recently stated that China will need to spend nearly US$817 billion to fight air pollution (Yongqiang, 2013).

The global metabolism is changing due to the ascent of China (Simons, 2013: 20). Its fast economic growth and rising middle class have also made China one of the top consumers of resources such as oil, copper, aluminum and iron ore, tropical wood, and agricultural raw materials; thus raising the global environmental footprint of China (Mol, 2011). As the impact of this growth is being dramatically felt all over the world, the hitherto peripheral economies of the sub-Saharan Africa also share some of the costs as it happened during the ascent of earlier economic powers such as the Dutch Republic, the British Empire, Japan, and the United States. What makes the ascendance of the emerging economies like China different is the fact that

today's environmental degradation is too big a global concern to ignore compared to past centuries.

China's "going out" has been driven by a mixture of economic, political and environmental factors. First and foremost there is the shortage of domestic commodities and global oil price spikes (Tan-Mullins and Mohan, 2013). Urban et al. (2013) concur that China's rapid economic growth and population growth have depleted domestic resources and raised the resource exigency. Moreover, saturation of the Chinese market in some sectors and rapid technological progress at home have driven the expansion of companies overseas. In this regard, Mol (2011) suggests that institutional support by the government is a major driving force. Shinn and Eisenman (2012) add a couple of political factors driving the expansion overseas: developing good relations with other countries so that China can count on their support in regional and international forums; and promoting the "One China" Policy through curtailing Taiwan's official diplomatic ties and replacing them with recognition for Beijing.

The Environmental Footprint of China in Africa

China's economic engagement with Africa has shown dramatic progress in the past three decades with the total trade volume growing from about US$1 billion in 1990 to $200 billion in 2012 (Figure 1). As a result, China surpassed the U.S.A. as the single largest trading partner for Africa in 2009 (Shinn and Eisenman, 2012).

Figure 1: China-Africa Trade Volume 2000-2012 /unit US$ 100 million (Xinhuanet. 2013a)
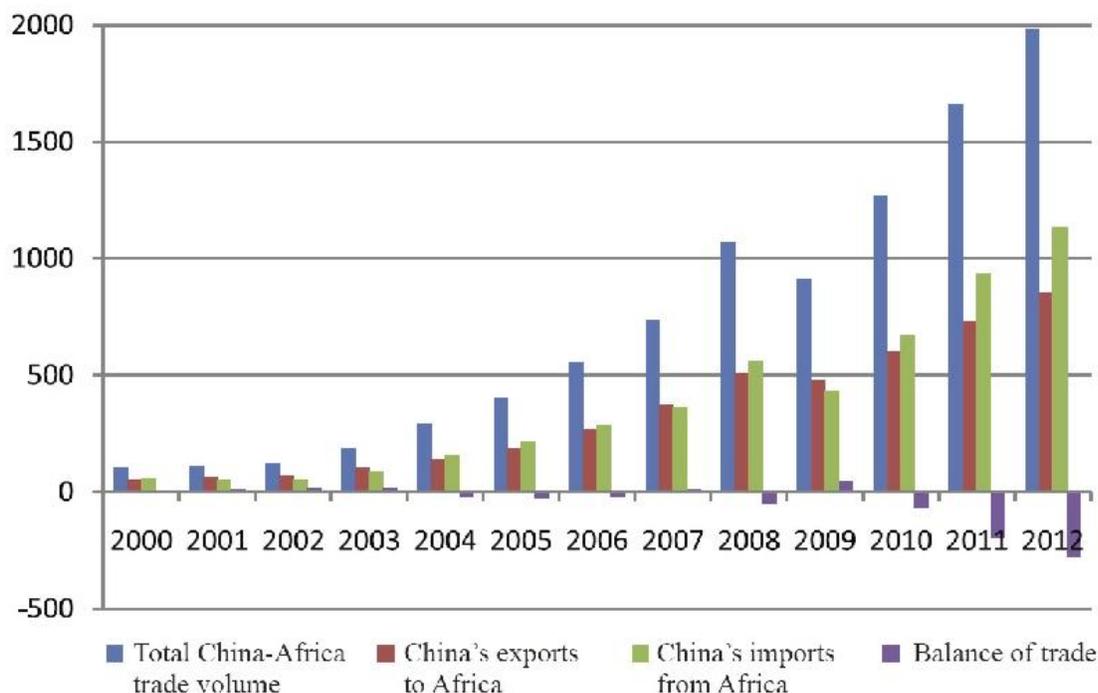
China's interest in Africa shifted gradually from political and ideological to largely economic with a special focus on the extraction of natural resources, the relative import of which is still small, but increasing rapidly with clear concentration on energy, minerals, metals and agricultural raw materials (Mol, 2011; Tan-Mullins and Mohan, 2013). Extractives (Table 1) have been the main focus of China's foreign direct investment (FDI) flows to Africa over the past decade, resulting in a negative balance of trade for those countries with fewer natural resources (Thomas, 2013).

Table 1: China's trade with Africa: Raw materials

Country	Raw material
Angola	Oil
Sudan	Oil
Congo Brazzaville	Oil, Timber, Base Metals
Equatorial Guinea	Oil, Timber
Gabon	Timber, Iron Ore, and Manganese
Zambia	Copper and Base Metals

Nigeria	Oil
South Africa	Iron Ore, Diamonds, Base Metals, Platinum, Manganese Copper, and Aluminum
Ghana	Manganese
Namibia	Copper
DR Congo	Raw Materials (miscellaneous)
Cameroon	Timber

Source: Thomas (2013)

Now there is a growing awareness and concern regarding some of the negative implications of Chinese investments in Africa. Accordingly public and private reactions are mounting, with some governments becoming more assertive in their interactions with China. In some countries, Chinese companies have been forced to stop operations due to economic and environmental disputes (Mol, 2011).

Concerns revolve around illegal and/or unsustainable resource extraction, lack of transparency and labor disputes. Peh and Eyal (2010) suggest that new environmental problems could emanate for two reasons. Firstly, Chinese companies have already set a bad precedent at home, and hence the legal restrictions placed on their overseas operations are likely to be even looser. Secondly, China might be tempted to "export" pollution to other continents as a result of the growing concern for the environment and mounting public uproar on polluting companies at home.

The environmental footprint of China in Africa touches upon various sectors. For example, Alden (2012) citing Kelley (2009) states that the unwillingness of Chinese mining companies based in Katanga Province of DR Congo to incorporate basic health and safety regulations, local labor laws and even industry environmental standards received harsh criticism. The following sectoral cases illustrate the emerging environmental dynamics in China-Africa relations:

Forestry: Simons (2013) explains why China, which was self-sufficient in lumber until the 1990s, eventually engaged in imports from other countries in Asia, Europe, and Africa. This was due to the heavy summer rains in 1998 that flooded the Yangtze River basin, killing thousands of

people and destroying enormous amounts of resources, which alerted Chinese leaders to the impacts of deforestation and soil erosion, and prompted them to take measures to ban local logging in most of the nation. As a result, for instance, 90% of log exports from Mozambique and 70% from Gabon and Cameroon are destined for China. While timber from Africa makes up only less than 5% of the Chinese imports, the forest degradation is quite alarming with more than half of global losses of forest cover between 2000 and 2005 happening on the continent (Asche and Schüller, 2008). More importantly, Taylor (2007) establishes that most of the African timber heading for China is illegal; i.e., Cameroon (50%), Congo Brazzaville (90%), Equatorial Guinea (90%), Gabon (70%), and Liberia (100%).

Mining: An assessment conducted in eleven African countries where there are active mining operations underlines that there is still a major gap with regard to how the companies address environmental issues associated with their extraction activities while, acknowledging that there is growing awareness and interest in CSR and environmental impact mitigation policies by Chinese companies operating outside of China (Scott, 2012). It is also further underscored that "[o]perations owned by state owned enterprises (SOEs) tend to be better run, more interested in and capable of implementing environmental impact mitigation and CSR programs than privately owned Chinese mining operations" (Scott, 2012: 4).

Wildlife: China ranks as the number one market for illegal wildlife or wildlife parts (McMurray cited in Felbab-Brown, 2011: 1). The wildlife trade monitoring network, TRAFFIC (2012), is deeply concerned about the illicit trade in wildlife from Africa to China which is exported as part of legitimate shipments of other natural resources, such as timber, more so because only less than 2% of cargo traffic is inspected before leaving Africa. These resources include ivory, rhino horn, abalone, sharks, sea cucumbers and pangolins.

Fishery: A study conducted by Pauly et al. (2013) reveals that Chinese deep-water fishing (DWF) is significantly under-reported. The annual average catch from 2000 to 2011 was estimated to be about 4.6 million tons, which is 92 % higher than the reported figure. Out of this, two-thirds of the catch comes from West Africa, which Pauly et al. (2013) call the "looting of Africa". What is worse, about one-third of the Chinese DWF vessels were reported from West

African waters, 75 % of which are bottom trawlers, the most ecologically destructive types of fishing vessels. In terms of foreign currency, the loot from West Africa is worth more than US$7 billion just from the Chinese DWF. It is worth noting, though, that China is the major, but not the only culprit in this business. For example, over half of all IUU fishing vessels observed fishing illegally in Guinean waters were Chinese.

Oil: Sinopec's experience in the Loango National Park of Gabon in 2006 is worth mentioning. After having been awarded a block located in the National Park, and upon completion of an environmental impact assessment (EIA), Sinopec started seismic exploration activities before the Gabonese Ministry of Environment approval was issued. A protest by local conservation groups concerned that the exploration activities threatened rare plants and animals led, in September 2006, to a decision by the Gabonese National Park Service to halt the company's operation and take subsequent measures (Jansson, 2009).

Infrastructure: According to Kaplinsky (2010), many infrastructural projects have been linked to resource extraction, and subject to criticism on environmental grounds. Tan-Mullins and Mohan (2013) also illustrate the "Angola mode" to show that the environmental situation is potentially exacerbated by the Chinese preference for using oil resources as repayment for concessional loans. However, Brautigam (2009) argues that the Chinese business design is flexible enough to accommodate such repayment methods and only opts for resources when they are the most secure means of ensuring a return. Besides, she adds that 'resource for repayment' is not the only model of concessional lending adopted by China.

Evolution of CSR Policy in China

Dahlsrud (2008) analyzed 37 definitions of CSR and identified five key dimensions; namely, environmental, social, economic, stakeholder and voluntariness. The first environmental dimension includes considerations such as: a cleaner environment, environmental stewardship, and environmental concerns in business operations. The most frequently used version that comes from the Commission of European Communities defines CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. For the purpose of this paper, CSR is treated as

analogous to similar terms such as corporate responsibility, business sustainability, and corporate citizenship.

According to WEF (2012), the concept of CSR is relatively new in China, used widely as a formal concept only around the year 2000. Some "corporate citizenship" practices predated the institutionalization of the concept. But these were somehow abandoned owing to the dominance of profit-orientation in companies, to be later re-introduced following catastrophic local problems and China's accession to the World Trade Organization (WTO) in 2001. WEF (2012: 10-12) suggests that the concept of CSR in China has passed through three stages since then:

i) 2001-2005: Re-Introduction of "CSR" after Joining the WTO

The re-introduction was driven by growing domestic demands and, more significantly, due to substantial influence from foreign companies. As a result, the central government launched the *Scientific Outlook on Development*, which is a "people-centered approach to development" (WEF, 2012: 10). This theory was initiated by ex-President Hu Jintao and successively endorsed by the Third Plenum of the 16th Central Committee and the Politburo in 2003 (Fewsmith, 2004). This has since then inspired some states like Shenzhen and Changzhou to take more action and academics, NGOs and other researchers in China to begin paying more attention to the citizenship efforts of large companies. There is evidence that the "Scientific Outlook on Development" still remains one of the key theoretical guidance tools. In a recent meeting of the Politburo of the Communist Party of China (CPC), President Xi Jinping reconfirmed the leadership's commitment by beseeching members and officials to strengthen studies and practices around this theory (Xinhua, 2013b).

ii) 2006-2007: Evolution of the Corporate Citizenship Concept

This second period is marked by some major shifts, which include the following, among others (WEF, 2012: 11):

- The central government developed regional guidelines and revised the Company Law of 2006 to require companies to launch social responsibility initiatives.
- The Communist Party of China urged the enhanced social responsibility of citizens, enterprises and other organizations.

- The Shenzhen Stock Exchange (SZSE) introduced a set of *Guidelines for Social Responsibility of Listed Companies*.

- Chinese SOEs started to issue CSR reports, the forerunner being the SOE, State Grid.

- President Hu Jintao re-emphasized the importance of CSR following his 2007 visit to Sweden, after which the Ministry of Commerce (MOFCOM) took the initiative to develop social responsibility standards.

- The Ministry of Foreign Affairs donated US$10,000 to the UN Global Compact which led to a dramatic increase in the number of Chinese companies joining the initiative.

iii) 2008-Present: Accelerated Development (Stronger Standards)

A set of domestic and global factors has led to stronger consideration for CSR practices since 2008 (WEF, 2012). Government decided to close the Fujia Petrochemical Plant located in Dailan following public protests against leaking chemicals. The Wenchuan earthquake of 2008 and the Beijing Olympics triggered more alarm on the need for stricter regulations. Consequently, the State-Owned Assets Supervision and Administration Commission (SASAC) introduced a formal set of CSR reporting guidelines for central government owned enterprises (CSOEs). Then the SZSE and the Shanghai Stock Exchange (SSE) followed suit and, in 2009, both published social responsibility indices that aimed to help Chinese investors factor CSR into their investment decisions (WEF, 2012). SASAC then required all CSOEs to publish corporate citizenship reports by 2012. These measures have ushered in an era of stronger standards with much more awareness and active participation of the public through social media outlets.

Is CSR Working in China and beyond?

There is a mixture of views regarding China's CSR performance. Some analysts maintain that the recent proliferation of CSR regulations and guidelines in China simply represent window-dressing designed to greenwash vandalizing activities at home and overseas. Other scholars hold a more optimistic view that China has evolved to become a more responsible and accountable partner, which is demonstrated by the issuance of policy instruments and growing efforts towards their implementation.

Kolk et al. (2010) argue that there is a difference between domestic Chinese and international retailers, the former reporting more on economic conditions including philanthropy while the latter focus on product responsibility. Thus, they conclude that labor and environmental issues receive relatively little attention. Tang (2012) contests that, unlike in the West, CSR is primarily a government-guided activity in China rather than a private sector initiative; and hence CSR initiatives are more prominent in SOEs. Therefore, private companies should welcome and invite oversight from government, society, customers and other stakeholders, he recommends. Noronha et al. (2013) contend that CSR reporting in China is at a very preliminary stage and hence there is still substantial room for improvement through the concerted efforts of government, enterprises and researchers. Lin (2010) underscores the historical foundations and many real incentives for Chinese companies to introduce CSR, and equally stresses the numerous political, social and economic constraints that hinder CSR from developing at a quicker pace.

Finally, Mol (2011) optimistically argues that China is not yet one of the leaders in sustainability, but has increasingly considered environmental protection in its modernization program since the mid-2000s, along three strategies instituted in new environmental policies and institutions. These are: first, reducing the natural resource, energy and carbon intensity of economic processes via increased efficiency; second, shifting to renewable resources that are more sustainable and less polluting; and third, recycling and re-using materials through the adoption of the circular economy concept. Sustainability measures are being seriously introduced into both domestic and overseas investments, Mol concludes.

Overall, there are indications that CSR in China is not just a window-dressing exercise anymore, although the process has been protracted so has yet to take full effect. Zadek et al. (2012) posit that there are clear indications that CSR in China is moving fast from the compliance stage to strategic stage (endeavoring to gain competitive advantage by incorporating societal issues into business strategies) and onto the civil stage, where broad industry action is aligned to national sustainable development priorities. Even then, environmental issues have a better chance than human rights (Lin, 2010). Kuo et al. (2012: 284) concur that environmentally sensitive investments (ESIs) and SOEs pay more attention to disclosure of environmental protection issues, particularly in the areas of energy saving and carbon emission reduction.

When it comes to overseas investments, Tan-Mullins and Mohan (2013) argue that the outcomes of the CSR strategy in environmental protection vary widely due to the operating

procedures of the Chinese SOEs in combination with specific local political and economic structures. They further underline that in the presence of active advocacy groups empowered by local legislation, there is a propensity towards better CSR implementation.

A report compiled by the World Economic Forum (WEF) assessing Chinese overseas investments establishes that some Chinese companies, including SOEs, have made significant progress towards corporate citizenship, boosting local markets, creating jobs, launching environmental initiatives and helping to foster a new breed of social entrepreneurs. It also documented the best practices of 75 Chinese overseas companies, and noted that the participation of Chinese companies in the UN Global Compact is on the rise. And it noted that an increasing number of Chinese companies are publishing corporate citizenship-related reports based on sophisticated global standards such as the Global Reporting Initiative (WEF, 2012). On a similar note, Zadek et al. (2012) concur that CSR is already a mainstream concern in China and that the number of Chinese companies producing CSR reports is increasing. Along this line, policymakers are advancing policy measures in support of CSR, business leaders have developed positive attitudes toward CSR, capital markets have issued CSR guidelines and, most important of all, consumers are responding to CSR practices by changing purchasing practices. In a nutshell, the authors underscore that there is a rapid evolution from considering CSR as a foreign requirement and barrier to trade and investment towards embracing it as a key tool to augment competitive advantage and international standards, more so because it is increasingly perceived as a state-supported expectation for doing business.

So the China story in Africa is not altogether gloomy when it comes to CSR issues. There have been some positive stories, all earned through some effort, which may help in formulating future engagement strategies with Chinese investments. Gu (2009) posits that China's dramatic economic growth came with high environmental costs because CSR practices had received little interest and Chinese businesses in Africa were launched from this bad precedent. The growing interest in enforcing CSR by the Chinese government, however, has pushed some local companies out of business, which has resulted in the relocation of such businesses to other regions, including Africa, where regulatory measures are less stringent and barely enforced. Cases in point are the fisheries and forestry sectors. The introduction of new regulations due to the depletion of Chinese fishery resources prompted local fishers to move to aquaculture and distance water fishing. Similarly more stringent restrictions on domestic logging, again due to

resource depletion, led to increased imports from overseas (Power et al., 2012). Both these policy changes have environmental implications for Africa because China has become a leading trading partner to some of its countries.

However, this does not mean that all businesses from China are bad apples. The march of Chinese companies into Africa followed a process, which Gu (2011) calls the "Three Jumps". Businesses in China first started exporting to Africa; then they started investing in production in Africa; and consequently they started to set up industrial parks (special economic zones). Whereas businesses are rushing into Africa, CSR performance is still trailing, one can conclude.

African Agency at Play and the Eminent Challenges

Scholars have documented the unsustainable practices of Chinese investments in a few countries. Equally importantly, in some countries, such unsustainable corporate behavior was received with a coordinated response and, sometimes, assertive action by various actors; these have proven to be instrumental in improving the behavior of these companies. The following are a few examples of these success stories:

i) Ghana: Multi-stakeholder consultation contributed to a good outcome (Hensengerth and Scheumann, 2011)

A multi-stakeholder consultation process has proven to be effective in minimizing social and environmental impacts in Ghana. The Chinese company, Sinohydro, was involved in the construction of the Bui hydropower dam in Ghana, a project that had immense social and environmental impacts. The Bui Power Authority, which was responsible for the planning and resettlement of local communities, had not complied with the recommendations of the Resettlement Planning Framework, particularly pertaining to proper consultation processes. Having prioritized speed in the construction of the dam, the authority rather deliberately avoided negotiations and opted for the hurried resettlement of the communities. The Ghana Dams Dialogue, a cross-stakeholder platform, was then initiated to addresses the lack of public consultation whereby representatives of affected people, government and NGOs took part. The civil society pressure from this process is believed to have contributed a great deal in improving the resettlement plan drawing on experience from failures in Ghana's biggest dam, Akosombo, that was constructed in the early 1960s.

ii) Gabon: Civil society activism paid back (Jansson 2009; Mol 2011)

Sinopec, one of the three major Chinese SOE oil companies, was awarded a block located in the Loango National Park, Gabon in 2006. The company then undertook an environmental impact assessment (EIA) and proceeded to seismic exploration activities before the EIA got approval from the Gabonese Ministry of the Environment. This led to an uproar by conservation groups, which consequently led to the suspension of the company's operations. Jansson (2009) concludes that this process was crucial because the company was forced to revise its EIA in collaboration with the WWF and EnviroPass, a local Gabonese organization. Sinopec was only permitted to resume its activities after producing a better quality EIA document. Mol (2011) documented that, in 2010, Brainforest, a national environmental NGO in Gabon, successfully campaigned against the environmental impacts of the massive Belinga iron-ore development project combined with hydropower dam that is supported by the Exim Bank of China. Gabon has since then been delisted from the Extractive Industries Transparency Initiative (EITI) for its poor reporting performance. Sinopec's Addax Petroleum is in a legal dispute with the Gabonese Government after it was accused in May 2013 for failing to pay customs duties and comply with other laws, which could result in Addax losing its license (Farge, 2013).

iii) Tanzania and Kenya: Government assertiveness stirred positive reaction from China (Kapama, 2013)

The Government of Tanzania impeached three Chinese nationals in early November 2013 for the unlawful possession of 706 pieces of elephant tusks that represented the slaughter of about 400 elephants and with a value of over US$ 3 million (Kapama, 2013). The Chinese Embassy in Tanzania then reacted by requesting its citizens in Tanzania to strictly abide by Chinese and Tanzanian laws, and refrain from ivory or other smuggling. The statement from the Chinese Embassy also reconfirmed China's commitment to the protection of wildlife, through allegiance to the CITES Convention (Peoples Republic of China, 2013). There are other evidences indicating that China is responding positively to the concerns of illegal wildlife trade in Africa. In a landmark event, China helped arrest a Chinese man suspected of wildlife smuggling in response to allegations by the Kenyan government (Burgess, 2014). Furthermore, the China Endangered Species Import and Export Management Office seized tons of illegal wildlife products mainly including rhino horns and elephant ivory, and arrested over 400 suspects in January 2014

(Xinhua, 2014). In the same month, for the first time ever, China publicly destroyed over six tons of confiscated ivory in the Guangdong Province, which is a major hub of ivory trade in China (New York Times, 2014 cited by Lawson and Vines, 2014). The authors, however, argue that this number constitutes a small portion of the total volume of ivory confiscated between 2009 and 2013, which is estimated at 45 tons.

iv) Sudan: At times, some corporations are generous

In Sudan, the Chinese oil company, China National Petroleum Corporation (CNPC), supported some CSR activities like construction of schools, hospitals and setting up the world's largest biodegradable wastewater treatment facility in some oil fields to eliminate discharge of effluents (CAITEC 2010 cited in Power et al., 2012).

v) Zambia: Strong government reaction prompted positive response (Mol, 2011)

In 2006, the Government of Zambia shut down a coalmine run by Collum Coal Mine Industries of China for its sub-standard working conditions and failing to implement environmental and safety regulations. Also, in May 2007, the Zambian government closed Chiman Manufacturing Plant, a manganese mine in Kabwe run by a Chinese trans-national corporation (TNC), as a response to local concerns over high levels of air pollution and failures to implement pollution control measures (Mol, 2011). Against this backdrop, Mol (2011) argues that these daunting environmental challenges have prompted Chinese state agencies, financial institutions and the larger state-owned and private companies to introduce voluntary and self-regulatory CSR measures. Apart from such policy instruments, an initiative to incentivize model enterprises was launched for Chinese TNCs operating in Africa, such as the 2010 Green Banking Innovation Awards and the 2010 Top Chinese Enterprises in Africa Award.

Challenges abound, though, in both China and investment destinations in Africa when it comes to environmental issues. Tan-Mullins and Mohan (2013) posit that China's CSR initiatives fall short in the implementation and enforcement of policies, mainly owing to the decentralized system of governance in China that eventually devolves authority to local governments. To make matters worse, the performance of local governments is assessed through economic targets, which undermines and de-prioritizes CSR initiatives.

Compagnon and Alejandro (2013) suggest that the matter becomes more complex because there are at least five categories of actors from China with varying levels of CSR performance: SOEs closely controlled by the Chinese Communist Party; private Chinese investment banks with government connections; PRC sovereign wealth funds (SWFs) such as the China-Africa Development Fund; medium-sized enterprises owned by Chinese local government structures; and small, private companies and individuals. They then argue that the debate usually fails to make any distinction between the types of actor involved, who exhibit varying levels of performance in Africa. Regardless of the policy instruments in place, the Chinese government is incapable of controlling the last two categories. Tang (2012) agrees that there is an imbalance between SOEs and private companies in the conduct of CSR. Mallory (2013) holds that, today, 70 % of the Chinese DWF industry is small and medium-sized private companies, as opposed to 25 years ago when the industry was exclusively state-owned, a dynamic that has made the rules less stringent. And Kapama (2013) stresses that there is also the issue of individual Chinese migrants who get involved in illicit activities.

Conclusions and Recommendations

China's environmental footprint in Africa is growing largely due to the environmentally sensitive nature of its trade and aid projects, which include infrastructure and public works, oil and gas, and mining (Tan-Mullins and Mohan, 2013). The current body of literature suggests that there is a growing appreciation of the challenges and the urgent need to rectify them, a process that needs to take into account the following key lessons for both Chinese and African actors and interests:

- Not all Chinese companies are SOEs, and there is discrepancy in CSR performance among the different types of businesses (Tang, 2012; Compagnon and Alejandro, 2013).

- The government of China does not currently have full control of all types of investments reaching Africa and lacks a proper coordination mechanism. Particularly, private companies, SMEs and individual Chinese immigrants must be viewed very carefully because they have demonstrated poor CSR performance and weak public accountability (Peh and Eyal, 2010; Mol, 2011; Mallory, 2013; Compagnon and Alejandro, 2013).

- Regional SOEs show a tendency to falsify and exaggerate information because there is always the temptation to want to be regarded as economically successful, which oftentimes

happens through deliberate understatement of externalities including environmental costs (Peh and Eyal, 2010; Mallory, 2013).

- Unlike in the West, civil society activism in China is exclusively focused on domestic issues and may not be counted on as a reliable advocacy tool to monitor and bring into account companies investing overseas. Creating an enabling environment for vibrant civil society in Africa, though, if positively employed, can reduce impacts and enlarge the gains for Africa (Alden and Alves, 2009; Jansson, 2009; Tan-Mullins and Mohan, 2013).

- The loose environmental policy of African governments is a major impediment in implementing CSR instruments by Chinese companies. There is, therefore, an urgent need to ensure the enforcement of national policy even when tensions arise among local actors driven by different, but not necessarily conflicting objectives (Alden and Alves, 2009; Jansson, 2009; Hensengerth, 2013; Tan-Mullins and Mohan, 2013; Compagnon and Alejandro, 2013). In line with this, African governments need to pay greater attention to local civil society voices, and encourage the creation of platforms to deliberate on these issues.

- African countries need to be aware that they have stronger bargaining power if they stand united; they need to be more assertive in speaking against environmental destruction by foreign companies (Tan-Mullins and Mohan, 2013; Vickers, 2013).

- Unilateral measures in enforcing CSR programs might be risky in terms of prompting disinvestment by companies (Cornelissen, 2013), which reinforces the need for concerted action by African states.

The current literature also attests that there is room for more African agency in the implementation of CSR programs of Chinese businesses. However, the lack of relevant policies and their implementation presents a tremendous challenge for most African countries. China's CSR policies provide that all Chinese companies should strictly abide by the local laws, which also reflects well in the Forum for China-Africa Cooperation (FOCAC) (Mol, 2011; Compagnon and Alejandro, 2013). However, most African states neither strictly enforce environmental policy nor do they have a vibrant civil society that can advocate against environmental misdeeds. Worse still, "China has an Africa policy.... [while] Africa doesn't have a China policy" (Vickers, 2013: 673).

In order for CSR policies of Chinese overseas companies to be properly implemented and environmental impacts minimized, the principal responsibility lies in African state and non-state actors. The CSR performance of Chinese companies in Africa is a function of the governance, policy and institutional circumstances of the destination economy (Hensengerth, 2013; Tan-Mullins and Mohan, 2013). Cornelissen (2013: 125) argues that African states also need to productively participate in intergovernmental CSR processes, which include, among others, more strategic engagement with transnational corporations so that the latter could incorporate CSR programs into their investment plans; encouraging regional economic communities to seriously consider and harmonize regulations in Africa around CSR; and actively promoting the CSR discourse in the bilateral and multilateral talks with emerging partners.

Some sporadic successes registered owing to active African agency notwithstanding, there remains an urgent need to address at least three currently outstanding challenges: illegal fishing, illegal timber and illegal wildlife trade, all of which are costing Africans a lot of money and resources. The bottom line is that African agents could still play greater and better roles by strengthening national policies and institutions; coordinating policies and actions collectively at regional and continental levels; and by using the FOCAC platform to deliberate on issues and seek solutions. "Africa must set terms of China's engagement"[1] as Raila Odinga, the former Prime Minister of Kenya rightly stated.

Acknowledgement

Notes

[1] Source: http://www.chinaafricaproject.com/china-africa-raila-odinga/

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Chinese and Western Interpretations of China's "Peaceful Development" Discourse: A Rule-Oriented Constructivist Perspective

Jing Jing[*]

Abstract: This paper offers a rule-oriented constructivist perspective on understanding the distinct Chinese and western interpretations of China's "peaceful development" discourse framework. It takes the correlations of discourse, rules and rule initiated by Nicolas Onuf as an analytical tool to identify the discrepancies between and within the Chinese and western patterns of discourse, rules and rule on this issue. Critical analyses of Chinese and western discourse are provided as a source for understanding the lack of trust between China and the West on China's "peaceful development". This methodology, which synthesizes the rule-oriented constructivist perspective and concrete discourse analysis, is an innovated attempt to implement the conventional positivist perspective on this issue.

Introduction

The ongoing emergence of China as one of the strongest economies in the world has constantly been accompanied by controversies and ambivalence. While some embrace China's increasing power, others feel insecure and regard China as a potential threat. This ambivalent feeling towards the rise of China has manifested itself in different areas. One is the constant debates between the West and China on whether China can stick to the "peaceful development" approach as claimed by the Chinese government. Since the end of the last century, many western academics and politicians have argued that China's rise is not likely to be peaceful (Munro, 1992; Huntington, 1996; Bernstein & Munro, 1997; Kagan, 2005). In response to this way of thinking, the Chinese government put forward the concept of "peaceful rise" in 2004 (*Xinhua News*, 2004). However, this term generated further debates and skepticisms partly due to the possible aggressive implications of the word "rise". In 2005, the term was officially revised into "peaceful development" through a white paper entitled "China's Peaceful Development Road" (Information

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This paper is adapted from the author's MA thesis submitted to Aalborg University, Denmark and the University of International Relations, Beijing in 2013.

Office of the State Council, 2005). These efforts, nevertheless, did not stop the fierce debates on China's developmental approach. The arguments on the topic last till today.

What on earth has led to the overwhelming criticism on the "peaceful development" discourse? Many have taken a positivist approach and looked into China's increasing military power and its disputes with neighboring countries to rationalize the disputes. What has been ignored, however, is the role of people in foreign policy-making, the thinking pattern and logics of Chinese authority, and the discrepancies between the external interpretations of China's intentions and the Chinese interpretations of China's policies.

This paper therefore takes a rule-oriented constructivist approach to investigating the disjunctions between and the contradictions within the western and Chinese interpretations of China's "peaceful development" discourse framework. Rule-oriented Constructivism regards the act of speaking as a purposeful action with the power of shaping social realities (Onuf, 2001: 77). Through repeated speech acts, rules are generated. Rules then determine the distribution of resources and yield rule (Kubalkova, 2001: 69). Rule refers to the pattern of a political society (Onuf, 1989: 196). The three basic types of rule identified by Onuf include hegemony, hierarchy, and heteronomy (Kubalkova, 2001: 66). By taking this approach, this paper attempts to offer an alternative perspective to explaining why there have been constant arguments and disputes over China's "peaceful development" discourse between China and the West. "The West" here has both geographical and cultural-bounded references. Specifically, the US and some major European countries are included as they established the "China Threat" and "China's Responsibilities" discourse frameworks. However, due to the limited range of the paper, most of the selected discourse samples from the western side are from the US.

This paper is largely methodologically driven. It adopts a synthesis of rule-oriented constructivist perspective and critical analysis of concrete discourses. The essential analytical tool applied in this paper relies on the correlations of discourse, rules and rule established by Nicolas Onuf (see Tables 1, 2 and 3). Critical analyses of the contradictions within the Chinese and western discourse frameworks are also made, offering further explanations of the two sides' lack of mutual trust on China's "peaceful development" policy. Specifically, discourse samples are selected and the lexical and semantic features in the sample discourses signifying a certain discourse pattern, namely commissive, directive or assertive discourse, are identified and the types of rules and rule they generate will be pointed out.

This paper consists of two sections. This first is an introduction of the theoretical and methodological framework used. The second, or the body of analysis, is divided into two parts: the western discourse and the Chinese discourse. As regards the western side, a discussion of the intrinsic patterns of its political discourse, rules and rule will be discussed firstly. Then the construction process of its discourse frameworks on the rise of China, namely "China Threat" and "China's Responsibilities" will be presented. This is followed by an investigation of the types of rules and rule generated by the discourse frameworks. Finally, the patterns of rules and rule will be compared with the intrinsic political discourse and rule patterns of the western society so that the disjunctions can be identified. As regards the Chinese side, the procedure is similar. Intrinsic patterns of discourse, rules and rule in Chinese politics will be compared to those found in the "peaceful development" discourse so that disjunctions can be found.

Theoretical and Methodological Framework

Rule-oriented constructivism, as termed by Burch (Kubalkova, 2001: 10), is a branch of constructivism initiated by Nicholas Onuf and developed by the Miami International Relations Group (Kubalkova, et al., 1998: x-ix). This theoretical approach takes people instead of states as agents (Xiao, 2004: 239). People are seen as the initial constructors of social rules, mechanisms and national identities. Agents and structure, people and the social world, are in a perpetual process of mutual construction (Kubalkova, 2001: 58-62). The main assumptions of rule-oriented constructivism include the "intersubjective co-constitution of social reality", the ontological status of speech acts and their constituting forces, "the crucial role of rules and rule in social construction process" and "cultural implication of constructivist approach" (Xiao, 2004: 24).The major arguments distinguishing rule-oriented constructivism from positivism, Marxism and other versions of moderate constructivism include "saying is doing", "rules make rule", and "rules put resources into play" (Kubalkova, et al., 1998: xi).

Speech Acts

Unlike realist, liberalist, and Marxist approaches, rule-oriented constructivists regard language as having an ontological status. They recognize a duality between the discourse and the realities. Onuf regards speaking as an activity with purpose and holds that "language makes things (including ourselves as agents) what they are by making the world (any world of social relations)

what it is" (Onuf, 2001: 77). In other words, languages are human actions which can evolve into rules. Rules generate rule, leading to a certain political paradigm of a society (Sun, 2006: 189). Rule-oriented constructivists categorize speech acts into three patterns. Each type of speech act has its way of shaping the realities. The following table is adapted from Kubalkova's presentation of the three types of speech acts, their forms and effects.

Table 1. Patterns of Speech Acts[1]

Patterns of Speech Acts/Discourse	*What is it*	*Typical Sentence Structure*
assertive	*Stating beliefs which the speaker wants the listener to accept or obey*	X counts as Y
directives	*Expressing intentions which the speaker hopes the listener will act in accordance with*	X person must do Y
commissive	*Making promises which have consequences if accepted by the listener*	I state I will do Y

The table is originally based on selected contents in the "Constructivist Synoptic Table" (Kubalkova, 2001: 67-69) with some of the author's own wordings adopted – this is indicated by the use of *Italics*.

In the analysis section of this paper, the term discourse is used instead of speech acts when a series of speech acts on the same topic is referred to. Discourse in this paper means written texts and spoken words related to China's "peaceful development" that have been produced by China and the Western countries, primarily the US.

Rules and Rule

The concept of "Rules" is essential to the understanding of Rule-oriented Constructivism. Rules refer to social rules instead of logic, laws or principles of nature (Onuf, 1989: 79). Onuf puts forward the concept of "rules" to link individuals to each other and people with the material world. Social structures and realities are completed through rules (Kubalkova, et al., 1998: x-xi). As social rules are omnipresent in human societies, Onuf denies a fundamental assumption of

mainstream international relations theories: the state of anarchy in the international system (Sun, 2006: 189). For Onuf, anarchy is also formed by sets of rules and is a hybrid of the rule of hegemony, heteronomy and a degree of hierarchy as well (Kubalkova, 2001: 66). Rules should be "stated or stable" instructions or directions which are capable of resulting in or regulating human performances. They are often formed through words such as "I must, must not; may, need not; should, and should not" and the formulation of "rules" can be generalized as "a description of a class of actions" (Max Black cited in Onuf, 1989: 79). In this way, rules are closely connected to discourse. "Rule" is another key concept. It refers to the ruling pattern of a society, or as Onuf puts it, "the paradigm of political society (Onuf, 1989: 196)." Onuf categorizes three types of rule: hegemony, hierarchy, and heteronomy. He correlates them to three types of speech acts and rules as shown in Table 2.

Correlations of Discourse, Rules and Rule

In this section, two tables are presented and explained as the essential analytical tool of the analysis of this paper.

Table 2. Classification and Correlations of Discourse, Rules and Rule[2]

Speech Acts	Rules	Rule
assertive	instruction-rules	hegemony
directives	directive-rules	hierarchy
commissive	commitment-rules	heteronomy

The table is originally based on the "Constructivist Synoptic Table" (Kubalkova, 2001: 67-69) with selected contents used in this article.

This table presents the categorization and correlations of discourse, rules and rule in rule-oriented constructivism. It shows that assertive discourse usually generates instructive rules and the rule of hegemony. Directive discourse can form directive-rules and the rule of hierarchy. Commissive discourse leads to commitments and the rule of heteronomy.

Table 3 below is adapted from the "rule-oriented synoptic table" in Kobalkova (2001: 69). It provides more detailed features of each type of rules and rule as well as those of the societies which generate them. As the original table is quite extensive, only elements relevant to this paper are presented.

Table 3: A Compact Version of the Constructivist Synoptic Table by Vendulka Kubalkova[3]

Speech Acts	Assertive	Directives	Commissive
Rules	instruction-rules	directive-rules	commitment-rules
Typical phrases	"I state", "affirm", "report", "attribute", "dissent", "declare"	"I ask", "command", "demand", "permit"	"I promise", "offer"
Rule	Hegemony Ideas and beliefs seem to do the ruling	Hierarchy chain of command	Heteronomy *The agents' roles are defined by the roles of others instead of those of itself.*
Cultures/ political systems	premodern *societies* religions totalitarian/authoritarian *nations* shame culture	*army* fear/dread culture	Western capitalist/democratic/ liberal state individualism liberal culture commissive culture of capitalism

The table is originally based on selected contents of the "Constructivist Synoptic Table" (Kubalkova, 2001: 67-69) with some of the author's own wordings adopted – this is indicated by the use of *Italics*.

As the table shows, each type of society has its own correspondent style of discourse, rules and rule. Premodern, authoritarian and totalitarian societies feature assertive discourse, instructive rules and the rule of hegemony. Warrior-type societies often have directive discourse and rules, and the rule of hierarchy. Western capitalized societies are usually dominated by commissive

discourse and rules and the rule of heteronomy (Kubalkova, 2001: 69). The following analysis largely relies on the correspondent relations shown in the three tables above.

Western Discourse: "China Threat" and "China's Responsibilities"

This section investigates the patterns of discourse, rules and rule formulated in both the general western political discourse and their discourse on China's "peaceful development". Disjunctions and clashes of the rules and rule in this construction process are identified.

Intrinsic Rules and Rule of the West: Commissive Heteronomy

According to Onuf, the rule of "contemporary" international relations was "pervasively heteronomous" (Onuf, 1989: 282). The period he refers to is the 1980s when the dominant rule in the relationship of the two super powers, the Soviet Union and the US, was one of heteronomy, which means that the roles of the two countries were largely affected and determined by each other (Onuf, 1989: 282). The rule in international relations today still falls within the range of heteronomy in which "the agents' roles are defined by roles of others" (see Table 3). The difference is that the current world is a world of multi-polarization. The US is now in a heteronomous relationship with multiple powers including the EU, Japan, and the BRICS countries. Each power is influenced and balanced by others. No one can really escape from this heteronomous rule. Based on Table 2, the correlate discourse and rules to the rule of heteronomy is commissive speech acts and commissive-rules. The main forms for this type of society are associations (see Table 3). This can be better understood when we think of international organizations. Take United Nations for example. The corresponding social objective of this kind of society is wealth and political practice, primarily focused on "rights". The discourse pattern is largely commissive. Its members have to make pledges and commitments so that countries can reach consensus on issues.

Heteronomy is not, however, isolated from hegemony or hierarchy. Heteronomy, according to Onuf, "implies a dominance of internal comparison, with asymmetries in the resources available to free choosers yielding a stable pattern of asymmetric outcomes subject to hegemonial support" (Onuf, 1989: 282). Countries in the world are in a process of invisible competition. Asymmetrical relations exist between dominating countries and dominated countries. Therefore heteronomy also contains the rule of hegemony. What can be deduced then

is that even in heteronomous relations, the agents can resort to directive or even assertive speech acts when they want to rule the weaker agents.

"China Threat" Discourse: An Assertive Hegemony

In the beginning of the 21st century, a number of "theories" arose in the West claiming that China would be a threat to the rest of the world as a socialist country with growing economic and military capabilities. Among these countries, the US took the lead. In 1992, Munro Ross H. declared that, "the real danger in Asia is from China" as China is a hybrid of "Leninist Politics", "Capitalist Economics", "Mercantilist Trade Policy" and "Expansionist" military policies (Munro, 1992: 10). Huntington, in *The Clash of Civilizations* (1993) and *The Clash of Civilizations and the Remaking of World Order* (1996), holds that future clashes between nations will be clashes of civilizations instead of wars and clashes of economies (Huntington, 1993: 22). He argues that China's economic growth increases the chances of China to seek "traditional hegemony" in East Asia (Huntington , 1996: 218). Bernstein & Munro declared that China and the US will be rivals and that China, being disrespectful to the international order, will threaten the US (Bernstein & Munro, 1997). In 2005, Kagan argued that "The Chinese leadership may already believe the United States is its enemy (…) The United States may not be able to avoid a policy of containing China; we are, in fact, already doing so" (Kagan, 2005). These remarks are all similar in particular ways: China takes the US as an enemy and the US has to contain or rebalance China as a way of protecting itself.

The assertive discourse refers to the statements of a belief which the speaker wants the listener to accept (see Table 1). In the case of the "China Threat" discourse, the speaker is trying to make others believe that "China is a threat". This "China as a threat" statement is consistent with the "X counts as Y" pattern which is a typical form of the assertive discourse (see Table 1). One thing worth mentioning is that assertive discourse does not necessarily equal completely groundless sayings. The term "assertive" in the context of rule-oriented theory primarily refers to the manners and logics of expression. Assertive discourse generates instructive rules. By saying China is a threatening emerging country, the speaker is trying to make the listener aware of the "threats" of China and then adopt methods to curb China's rise.

According to Onuf's theory, the Western capitalist countries should originally fall into the realm of commissive discourse producers since they share a "commissive culture of capitalism"

(see Table 3). However, when the US repeatedly states that China tends to regard the US as an enemy, the directive rules are formed through the discourse which defines China as a rival, or an enemy of the US. From this point of view, a threatening China cannot be the result of China's actions but rather a constructed role defined by the US.

What makes the speaker switch from the commissive discourse pattern to an assertive one? One of the causes of this pattern switch is external stimulation. In other words, a speaker may give up the original discourse pattern he or she usually applied and takes another discourse pattern as a result of their stress reaction. The rapid and all-round development of China has made the US and other Western countries feel anxious and stressed. This external stimulation of China's rise has put the US on alert so that the US changes its discourse pattern to an assertive one which indicates a more or less hegemonic state of mind. The instant reaction of the speaker here is to express fear, call the other's attention to the potential rivals and try to contain the new power. This is a case where a capitalist country which usually takes the rule of heteronomy and the commissive discourse pattern switched to an assertive discourse pattern with the rule of hegemony under external pressures.

"China's Responsibilities" Discourse: A Directive Pitfall

Although the Chinese government has put forward the concept of "peaceful rise" as a response to this way of thinking which will be illustrated later, the skepticism and doubts on China have not stopped. It was upgraded into another discourse framework, the "China's Responsibilities" discourse as presented in the following section.

In 2005, Robert B. Zoellick, former US Deputy Secretary, applied the term "a responsible stakeholder" to describe China's role in international relations. In his speech entitled "Whither China: From Membership to Responsibility?" he said, "It is time to take our policy beyond opening doors to China's membership into the international system: We need to urge China to become a responsible stakeholder [underline added] in that system" (Zoellick, 2005). In the 2006 US National Security Strategy, the role of China as a "responsible stake holder" was officially set (The White House, 2006). In the 2006 report of Princeton Project on National Security, which epitomizes the essential ideas of US political elites, it was once more emphasized that:

> The rise of China is one of the seminal events of the early 21st century. America's
> goal should not be to block or contain China, but rather to help it achieve its

legitimate ambitions within the current international order and to become <u>a responsible stakeholder</u> [underline added] in Asian and international politics. (Ikenberry & Slaughter, 2006: 9)

Since then, the "China's Responsibilities" discourse took the place of the "China Threat" discourse and became the main discourse framework of the West on the role of China. However, this seemingly rational, moral-bounded term upset China since China perceives it as another burden on its already heavily-burdened shoulders. Lofty and just as it seems, "China's Responsibilities" is a political discourse framework constructed out of political purposes which reflects the US intention to balance the power of China. The "China's Responsibilities" discourse is in nature similar to "China Threat". It also aims at curbing China's development. While "China Threat" discourse is straight forward, the "China's Responsibilities" seeks to reach the goal in disguise by putting extra burdens on China's not-yet-strong enough shoulders. The "China's Responsibilities" discourse is a pitfall, trapping China in a dilemma of moral responsibility and practicalities. On one hand, China is a country with a population of 1.3 billion and a comparatively low GDP per capita. It therefore does not have the capability to shoulder as much global responsibilities as expected by the West. On the other hand, if China argues back and refuses to play the role of "responsible stakeholder", its reputation will be undermined and the rest of the world will condemn China.

The discourse of "China's Responsibilities" deviates from the commissive discourse pattern which is intrinsic for Western capitalist countries. This discourse framework is largely directive. Based on Table 1, directive speech acts refer to the speech acts in which the speaker presents intentions which he hopes the hearer will perform. The directive discourse often takes the grammatical form of "X person must do Y". Words bearing directive implications include "I ask", "command", "demand", "caution" and "permit" (see Table 3). The rule generated through directive discourse is hierarchy. Countries involved in this type of rule fall within a "train of command" (see Table 3).

The term "Directive Pitfall" is therefore used to illustrate the underlying purposes of the "China's Responsibilities" discourse. By giving China commands and directions, the US has created the rule of hierarchy between China and itself. It makes the US the supervisor and China a supervisee. A look at the discourse interactions in Sino-US relations may better illustrate how

this Directive Pitfall works. China has in fact always been in a passive position in dialogues with the US. The US discourses follow the pattern of "China should". The following examples may illustrate the directive nature of the discourse of China's Responsibilities. In Zoellick's speech in 2005, the directive features of speech acts have been more evident. A lot of his sentences are just in the form of "X must do Y" (see Table 1).

> As China becomes a global player, it <u>must</u> [underline added] act as a responsible stakeholder that fulfills its obligations and works with the United States and others (…). (The White House, 2006: 41)

> China <u>needs</u> [underline added] to recognize how its actions are perceived by others (…) China <u>should</u> [underline added] work with the United States and others to develop diverse sources of energy (…). (Zoellick, 2005: para. 22, line 1)

These are examples of explicit directive discourse demanding China to shoulder more responsibilities. While joining the international system and cooperating with other countries also benefits China, the US seems to have forgotten that China is not yet as developed as Western capitalist countries. China still has its own domestic issues to address. Poverty, corruption, and environmental pollution are all problems which will be more harmful to the world if proper actions are not taken. In Zoellick's speech there are other types of directives. Some of them take the negative linguistic form of "X mustn't/ should not do Y" as in the following sentence:

> a <u>responsible major global player</u>[4] [underline added] shouldn't tolerate rampant theft of intellectual property and counterfeiting (…). (Zoellick, 2005:para. 27, line 1)

In fact "X shouldn't do Y" has a stronger directive effect than "X should do Y" pattern since "should do" could be understood as strong suggestions but "shouldn't do" is definitely a prohibition. Of course in this case intellectual property rights should not be violated and this is a problem China needs to fix, the emphasis here is that this "shouldn't" pattern also indicates the strong hegemonic role of the US in the asymmetrical Sino-US relations. There are also examples of implicit directives such as in the following sentences:

> China<u> has a responsibility</u> [underline added] to strengthen the international system that has enabled its success. (Zoellick, 2005: para. 10, line 1)

> From China's perspective, it would seem that its national interest <u>would be much better</u> [underline added] served by working with us to shape the future international system. (Zoellick, 2005: para. 12, line 1)

In the first sentence, "has a responsibility" means "should" in nature. But the word responsibility makes the sentence sound more morally correct and persuasive. After all, western culture is predominantly a "guilt culture, sense of responsibility" as observed by Onuf (see Table 3). The directive rhetoric is more subtle in the second sentence. By saying that "its national interest would be much better…" he is actually saying that if China does not cooperate with the US, China will surely be in an unfavorable situation. This can even be perceived as a threat, though not an apparent one. Only the stronger party in asymmetrical relations can make these kinds of utterances.

While the assertiveness of the "China Threat" discourse is the result of unconscious US stress reactions, the discourse of "China's Responsibilities" can be termed as a "directive pitfall" which puts China in a dilemma. If China promises to accept the responsibilities, it is likely that China will fail to keep the promises since its national capability prevents it from acting like a mature developed country. On the other hand, if China refuses to accept the responsibilities, China's image and reputation will be affected negatively. The "directive pitfall" and asymmetrical relations between China and the West impair the reorganization of "peaceful development" in the West. The goal of the US and some of the other Western countries constructing the "China's Responsibilities" discourse is to let China be self-contradicted and pressured. This adds up to the tensions between China and the West, leading to the lack of trust on China's "peaceful development" discourse.

The above analysis reveals the nature of the discourse and correlated rules and ruling patterns of "China Threat" and "China's Responsibilities". The following graph shows the differences between the identified patterns of discourse, rules and rule of the western discourse on the rise of China and the intrinsic patterns of those of the western political discourse in general.

Table 5. Clashes of rules and rule in western discourse on China's Peaceful Development
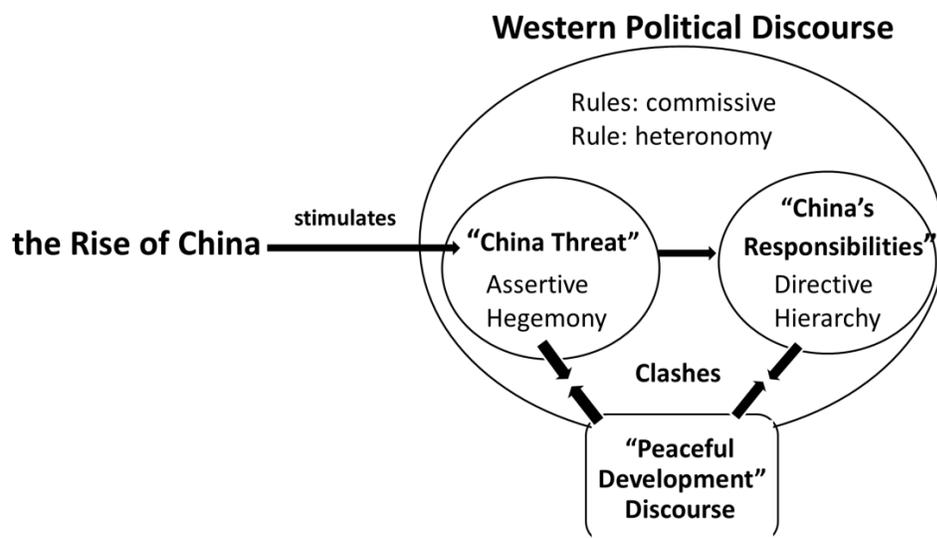
It has been argued that "China Threat" is discursively assertive which generates instructive rules and the rule of hegemony. The rules are also a result of western logics on the development path of a nation in which pre-modern societies develop into capitalist countries through modernization, and the "rise" of a country always brings wars and violence. The generated instructive rules and the hegemonic rule of the West prevent China's "peaceful development" from being accepted. The judging and aggressive tones of assertive discourse make equal dialogue between China and the West hard to achieve. Meanwhile, "China's Responsibilities" discourse is an upgraded version of "China Threat". It generates directive rules and the ruling pattern of hierarchy, trapping China in the "chain of command" (see Table 3) made by the US-led Western world.

Chinese Discourse: from "Peaceful Rise" to "Peaceful Development"
This section reviews the construction process, and provides a critical analysis of China's internal discourse framework. "Peaceful rise" is a concept firstly introduced by Zheng Bijian, former Vice Principal of the Central Party School and a top-rank think tank of Chinese government in 2003 (Zheng, 2003: 13-17). The term was later recognized and applied by Chinese officials and turned

into a national principle defining China's foreign policies (*Xinhua News*, 2004). However the application of the term "Peaceful Rise" by the Chinese government did not manage to reduce the concerns regarding the "China Threat" way of thinking. The term "rise" unexpectedly caused intensive fears and skepticisms due to the terms' association with the rise of Germany and Japan (*The Economist*, 2004). At the 2004 Bo'ao Forum, former Secretary General Hu Jintao applied the term "peaceful development" instead of "Peaceful Rise" (Hu, 2004). In 2005, the State Council issued a white paper on "China's Peaceful Development Road" in which the term "peaceful development" was officially settled (Information Office of the State Council, 2005). In 2011, a white paper on "China's Peaceful Development" was issued (Information Office of the State Council, 2010) and since then the term "Peaceful Rise" vanished from official discourse but was still adopted on official occasions. In March 2013, Secretary General Xi Jinping and Premier Li Keqiang confirmed on different occasions that China will stick to the policy of "peaceful development" (*Xinhua News*, 2013). Chinese Foreign Minister Wang Yi also confirmed that China will stick to the path of peaceful development in his speech at the 68th UN General Assembly in 2013 (*Xinhua News*, 2013). It is apparent that China's "peaceful development" will continue to define China's strategy under the new leadership generation.

Intrinsic Rules and Rule in Chinese Political Discourse

China's domestic political discourse in general is deeply influenced by the remains of China's socialist revolution period (1949-1978). It contains elements from the Soviet style socialist speech acts due to historical reasons. Although these features are not common in everyday languages, their traces remain in the country's political discourse. Many Chinese political discourses are related to revolutions or the military. Words such as "fight" (Dou Zheng), "hold high the banners" (Gao Ju Qi Zhi), "march forward" (Qian Jin) can often be seen in political speeches and documents. The traditional style of China's political discourse contains a lot high flowing, flowery descriptions as well as meaningless political cliché. The following example is from a speech made by former Secretary General Hu Jintao in 2004:

> China will follow a peaceful development path holding high the banners of peace, development and cooperation [underline added], join the other Asian countries in bringing about Asian rejuvenation, and making greater contribution to the lofty cause [underline added] of peace and development in the world. (Hu, 2004)

In this sample, "holding high the banners" actually means "advocate" or "adhere to". This is a typical "socialist" refrain in political discourse influenced by Soviet Union-style political discourse. It is hard for the West to understand and appreciate without a Chinese political-cultural background. "The lofty cause" also sounds high flowing and redundant. It is meaningless and unnecessary to point out this cause as being "lofty". This phenomenon in Chinese political discourse is also influenced by the fact that Chinese media was once a pure manifestation of political ideologies under strict constrains in the early years when People's Republic of China was founded. Back then the media news was all about the leader's speeches which contained a large amount of assertive expressions (Ran, 2009: 710-715).

According to Onuf, the discourse type of authoritarians and totalitarians are in general assertive. This brings a problem for the classification of Chinese discourse and rules since China can be viewed as a hybrid of a socialist political system with capitalist economic features. However, the Chinese discourse pattern within and outside of China is quite different. The rule within Chinese society is also different from that of China in the international arena. Within Chinese society, the political discourse pattern is a hybrid of assertive, directive and commissive discourse. The predominant type is, with social historical influences, assertive. Therefore, the rules within China are mostly instructive-rules and the rule of Chinese society is top-down.

The Chinese political leaders and elites have a big say in making foreign policies. For a long period after the founding of PRC, China's political discourse was largely assertive. A typical example is the "Two Whatevers" policy initiated by Hua Guofeng, who was designated leader of the Communist Party of China by Chairman Mao. The policy advocated that "China should uphold whatever [underline added] policies Mao Zedong has adopted and abide by whatever instructions the late chairman has given" (CRIENGLISH.com, 2008).

The assertiveness of China's political discourse and the instructive-rules are the outcomes of China's historical experiences and political system. The new generation of Chinese leaders is trying to bring freshness to China's stiff political discourse. Xi Jinping, the current General Secretary of CPC, is trying to turn to a fresh, easy-going discourse style (Renmin Wang [People.com], 2013). When the new leaders greeted the public for the first time after the election, his words "Sorry for keeping you waiting" broke the solemn atmosphere of the meeting (Renmin Wang [People.com], 2013). In his speech at the Bo'ao Forum in 2013, he used a lot of metaphors,

making the speech easily understood. Sentences such as "Peace, like air and sunshine, is hardly noticed when people are benefiting from it" and "a single flower does not make spring, while one hundred flowers in full blossom bring spring to the garden" are metaphoric, vivid and easy to understand (Xi, 2013). It seems that the political discourse pattern in China is experiencing a reform as China more actively integrates into the global system. How far this reform can go, however, is still a question.

The problem with assertive discourse and instructive-rules is that they do not pertain to the discourse and rules accepted in the western-led international arena. The West and international arena share the commisive discourse pattern, which, according to Onuf, is the inherent discourse pattern of capitalist countries as a result of their culture and religion. Therefore the traditional assertiveness of China's discourse has led to a poor foundation for the communication between China and the West. This also leads to the contradictions between China's discourse in domestic and international contexts which will be further elaborated upon in the next section.

Peaceful Rise/Development: A Commissive Trap

China's market economy in many ways resembles capitalist societies. This resemblance has extended to the country's discourse and rules in its foreign relations. Contrary to China's domestic political discourse, the "peaceful development" discourse contains a lot of promises and pledges and is primarily commissive. One may think that by applying the same discourse pattern within the international arena China can make its voice better received. However the negative effects of making promises is also neglected. By applying this type of discourse, China puts itself in a "commissive trap". A "commissive trap" is another term innovated in this paper based on Onuf's theory. According to Onuf's theory, commissive discourse refers to the speaker's commitments to "a course of action, promise/offer" and "if hearer accepts the speaker is stuck" (see Table 3). Commissive discourse is correspondent to commissive rules and the rule of heteronomy (see Table 3). This means that by promising and pledging, one is actually handing over to the listeners the rights to judge. Once the promises are made, one needs to fulfill them. To what degree they are fulfilled depends on the judgments of the listeners and readers instead of the speaker. The "commissive trap" puts the agents in the rule of heteronomy. China is not a capitalist country in the fullest sense of the word, so its application of commissive discourse is

not natural. It is a superficial commissive discourse which does help in building trust between China and the West. China's promises expose China to the judgments of the West.

The following examples show how this "commissive trap" worked. In some cases the commissive words are explicit in the "peaceful development" discourse, for example:

> Here I'd like to point out: It's <u>the destined mission</u> [underline added] for the Chinese   Communist Party to adhere to and unswervingly follow this new path [of peaceful development]. (Zheng, 2005: 18)

This statement was presented by Zheng Bijian in his speech entitled "New Path for China's Peaceful Rise and the Future of Asia" at the Bo'ao Forum for Asia in November, 2003. The underlined "the destined mission" is a phrase with strong commissive implications. The rule it generates is that the adherence of the path of peaceful development is a destiny, a mission of the Chinese Communist Party (CCP), and the rest of the world has the right to judge whether China fulfills its mission or not. In this way China puts itself in the rule of heteronomy and the rest of the world can judge whether China is an honest, promise-keeping country or a hypocritical liar. In the 2010 white paper on China's Peaceful Development, similar promises scatter throughout the text. For example:

> China has <u>declared to the rest of the world</u> [underline added] on many occasions that it takes a path of peaceful development and is committed to upholding world peace (…) China <u>declared solemnly again</u> [underline added] to the world that peaceful development is a strategic choice made by China to realize modernization (…). (Information Office of the State Council, 2011)

By this declaration China exposes itself to the judgments of the rest of the world of which the supreme judge is the US—the country who currently owns the biggest discourse power. The new generation of Chinese leaders' discourse about "peaceful development" has not deviated from the previous commissive style. Chinese secretary general Xi Jinping said in a speech in January 2013:

> <u>We will</u> [underline added] stick to the road of peaceful development, but will never give up our legitimate rights and <u>will never</u> [underline added] sacrifice our national core interests. (*Xinhua News*, 2013)

China <u>will never</u> [underline added] pursue development at the cost of sacrificing another country's interests. <u>We will never</u> [underline added] benefit ourselves at others' expense or do harm to any neighbor. (*Xinhua News*, 2013)

In March he said in an interview to the reporters of the BRICS countries that:

The Chinese government has <u>made the promise</u> [underline added] to the international community several times that China will <u>stick to</u> [underline added] the path of peaceful development, <u>never</u> [underline added] seek hegemony and never pursue military expansion. <u>A word spoken is an arrow let fly</u> [underline added]. (CRIENGLISH.com, 2013)

The underlined expressions indicate that the discourse of Xi's generation is not likely to escape from the "commissive trap" set by China itself. Rather, it seems that the promises are even more firm. These two examples of discourse are also consistent with the commissive speech act categorized by Onuf and Kubalkova. Based on Kubalkova's synoptic table of rule-oriented constructivism, the commissive speech acts are in the pattern of "I state I will do Y" and if hearer accepts the saying then the speaker is stuck (see Table 3). By saying that "China will..." and "will never…" China is once again stuck in the commissive trap. This is not saying that it is wrong to make promises, since it is understandable that China is eager to explain itself and to erase the fears and negative comments from the rest of the world about China's rise. But by continuously using the commssive speech acts, the rule of heteronomy is formed, thus putting China in an inferior position, more or less like a criminal who is subject to the judgments and accusations of others in its foreign relations with other countries.

China's defensive and commissive discourse is under judgmental pressure of the strong and directive discourse of the US. China has not yet developed to a stage at which it can apply commissive discourse in the full sense. The "peaceful development" discourse is only commissive in a linguistic sense, but behind the discourse is the assertive pattern of the general political discourse in China. This disjunction reduces the reliability of the "peaceful development" discourse. The West would not really accept the discourse of a socialist country with authoritarian rule only because it is making promises. After all, a commissive discourse pattern is a feature of democratic, capitalist countries and it requires the underlying support of western culture, according to Onuf's theory. Although every country can make promises, it is not

like every country has the capability to adopt a commissive discourse pattern with their promises taken seriously since this would require a shared culture and social backgrounds.

Conclusion

Significant disjunctions exist in the discourse patterns applied by China and the West on China's "peaceful development". Hidden behind these disjunctions are the mismatched rules and rule generated by China and the West. While the general western discourse and the rules are commissive within the ruling pattern of heteronomy, the West's discourse towards the rise of China, as exemplified by "China Threat" and "China's Responsibilities", switches to assertive and directive patterns, respectively. The "China Threat" discourse generates instructive rules and the rule of hegemony. This is, as stated in this paper, an assertive stress reaction of the West to the emergence of China. The "China's Responsibilities" discourse is a "directive pitfall", putting China into a dilemma. It generates directive rules and the rule of hierarchy, positions China in an inferior position and leads to an asymmetrical dialogue.

A disjunction between China's domestic discourse style and its discourse type in foreign diplomacy has also been identified. China's domestic political discourse is predominantly assertive. The "peaceful development" discourse, however, is largely commissive. This incoherence in discourse patterns leads to the low receptiveness of "peaceful development" in the West. "Peaceful development" itself is a "commissive trap", letting China's role be defined by others and makes China vulnerable to the judgments of the West. These discrepancies in the discourse pattern, rules and rule taken by China and the West have led to a situation where the two parties talk past each other, reaching different conclusions and thereafter distinct actions when responding to China's "peaceful development" discourse.

Notes

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[1] The "Constructivist Synoptic Table" made by Vendulka Kubalkova (Kubalkova, 2001: 66-69) is based on Onuf's synoptic table of paradigms of experience and faculties (Onuf, 1989: 290).

[2] Ibid.

[3] Ibid.

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[4] Here refers to China

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The Cultural Soft Power of China:
A Tool for Dualistic National Security

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Abstract: Research on the soft power of China has proliferated to the point where little coherence can be detected. This paper attempts to bring together the various forms of analyses in both international and Chinese literature. A division in the non-Chinese research is drawn between those who recognize the international and domestic dimension in the Chinese soft power discourse and those who do not. It is concluded that Chinese academia envisages cultural soft power as a tool for tackling the challenges of modernization for the PRC state in search of itself in a dualistic manner using both the international and domestic arenas. In essence, the soft power discourse of China has long since outgrown the narrow definition used in the West more in the direction of national security.

Introduction

In recent years, Chinese academia adopted the concept of soft power and has radically localized it to the Chinese intellectual environment. For analyzing this Chinese vision, the Western understanding of soft power theory is insufficient. Thus far, only a narrow body of literature has formulated a localized perspective by depicting the soft power rhetoric of China as both domestic and international (Wuthnow, 2008; Li, 2008; Hunter, 2009). Improving on previous research, this article shows cultural soft power (wenhua ruan shili, 文化软实力) in the Chinese discourse, offering an answer to the dualistic dilemma of the present PRC government: legitimization in domestic politics and assurance of peaceful and responsible reputation of China on the international scene. Ultimately, in expressing cultural critique, Chinese analysts are seeking national salvation through a social management system based on cultural soft power.

This paper coins the terms "Dualist" (those who recognize dualism in the soft power of China) and "Monotist" (those who do not recognize it) and, by making such a distinction, emphasizes the variation in the understanding of soft power in international literature. Chinese academic publications for a Chinese audience, on the other hand, are considered as empirical

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material. This has two main bodies: a conference publication from the first Chinese soft power meeting in 2011[1], and more recent relevant Chinese academic publications in Mandarin.[2]

In decrypting the academic soft power discourse of China, this article outlines a model for Chinese cultural modernization that lies at the interplay between domestic and international, self-reflection and outward image projection. It is argued that the soft power rhetoric of China should not be perceived only as a willingness to generate genuine attraction, but also as a policy tool. In the Chinese discourse, cultural soft power tackles the challenges of modernization by placing emphasis on cultural safety amid globalization in national image construction through exemplarity. This is an answer for the nation in search of itself, still struggling with a sense of inadequacy stemming from historical Western dominance.

This paper first draws on the modernization of China from the rhetoric of Chinese historians. Then applying the theory of exemplarity by Børge Bakken, parallels between modernization and soft power thinking are drawn. A literary review tackles international studies and a discourse analysis looks at Chinese publications on the soft power of China. Finally, the paper turns to the arguments of the necessities to produce a cultural safety system around the principle of ruling soft power, before constructing a two-level model for the dynamics of the Chinese cultural soft power discourse.

A History of Self-Reflection and the Challenges of Modernization

Wang (1997)[3] raised the issue of the two competing perspectives on the study of Chinese society: the internal and external causes. The latter implying that during the modern era Chinese society remained stagnant before the Western interaction that brought along a positive influence towards modernization. The former implying that the domestic factors of China were mostly responsible for drastic changes. A central question has been: Which approach to follow in conducting research on China? By taking account of both extremes, Wang concludes that in most cases the external and internal intermingle and interact.

In building his argument, Wang clarifies the differences between Japan and China in responding to Western influence and modernization. His view is that, while Japan was eager to assimilate foreign culture and methods, China maintained a negative disposition towards all things foreign. Wang continues that the foreign-oriented mental state of Japan has been repeated multiple times in history, in contrast to China. During the nineteenth century while Japan

underwent the Meiji restoration, China, following defeat in the Opium Wars, put forward the slogan "Chinese learning for essential principles, western learning for practical applications" (zhong ti xi yong, 中体西用).[4] The Chinese were left without other options: the technological advancement of the Western powers was so profound that the officials of the military brought forward the practical adaption of the Western techniques. As Fairbank (1942) and Qin (2009) indicate, this realization in itself broke the genealogy of Chinese intellectual culture. By the late ninetieth century, however, this road to modernization turned into a failure. The difficulties in merging ti, 体 (Chinese essentials) and yong, 用 (Western practicality) were clear from the offset to many elite Chinese. The contradictory goals and methods were not mutually compatible and thus destined to fail (Wang, 1997; Qin, 2009).

Generally, the period between 1840-1940 has been described as a "Century of Great Transformation" for China (Luo, 1997). During that time, China came into contact not only with the Western powers but also with itself. The relationship, on the one hand, between China and the international community and, on the other, the resultant self-awareness of China is central to this paper. This state of national mentality has been described by Chinese historians as "self-examination" (Luo, 1997), "self-consciousness" (Chen, 1995) and "self-reflection" (Qin, 2009). The first period of self-awareness deals with the aftermath of the above-mentioned Opium War, the second with the reforms between 1898 and the revolution of 1911, and the third with the New Culture Movement in 1919 crystallizing in the May Fourth Movement. Common for all three is a sense of inadequacy towards the international community. After the Opium War defeat, self-reflection dealt merely with technology, between 1898 and 1911 a political dimension was added and, lastly, the sense of inadequacy also spread to the cultural sphere with the New Culture Movement (Qin, 2009: 37-38). On the other hand, the Sinification of Marxism, the failure of communism as an economic ideology followed by the reforms could also be interpreted as periods of "self-reflection" – even though Chinese historians seem disinclined to do so. In any case, the recent relative success of China in the international arena is seen inside China as signifying an ending to the "Century of National Humiliation", as for instance analyzed by Callahan (2010).

The present Chinese dilemmas of modernization should also be understood against this historical framework: the dualism between China and the international community – internal and

external factors. From a global perspective, the Western modernization project has identified itself with an ideological homogeneity originating from the colonial era, not accepting much relativity. Only recently have certain functional equivalents been admitted into the modern dimension due to undeniably successful economic results. One relevant case is China, which to date has been consistent in not accepting the dichotomy of Western modernization rhetoric – the self-acclaimed relationship between a successful market economy and democracy. Indeed, the discourse of modernity in the West has had a specific Euro-American touch; it is synonymous with the spreading of individual rights and a liberal capitalist market economy. But while recent modernization in China has meant economic reforms, no major political or ideological freedoms have been granted. It follows that the discourse of modernization has maintained a different angle to that in the West, namely market economy with social control through example.

Børge Bakken (2000, 2002)[5] has argued about the specifically Chinese way of dealing with modernization. In the book *The Exemplary Society* (2000), he shows how, through exemplary norms, social order is maintained in the midst of rapid change. The 2002 article *Norms, values and Cynical Games with Party Ideology* moves from sociological to political handling in analyzing the ideological obstacles of the CCP during the market reforms. Common to both writings is the portrayal of the hardships of the PRC leadership in managing the modernization of China. The exemplary society, Bakken argues, is a society of perfect order based on human quality. It has roots in the past but a consciousness in the present to create a future utopia of harmony. This is essentially a system of control where the qualities of an individual become synonymous with state power.[6]

Similarly Bakken adduces the problems of the CCP. He claims that the loss of the "mandate of history" is not itself a major dilemma, but not connecting with the hearts and minds of the people might be problematic. This power of ideas is linked to the ethos of the society in which it operates: should the social fabric erode, so will the ideology. Bakken claims that the CCP's links to wider Chinese society have fractured in two places: on the one hand, it is unconnected with any social movement as such and, on the other, it lacks charisma. Indeed it would seem that the Chinese elite are aware of the lack of charisma. Precisely here the problems of modernization and exemplary society connect with the idea of soft power, a connection Bakken could not make at the time. It links individual education with state charisma through positive exemplarity.

The modernization theory seems to indicate that political institutionalization will have been stimulated by economic development and social modernization. This leads to the conclusion that the institutionalization of China was hampered by the revolutionary founders and their Long March comrades (Shirk, 2002: 310). In general terms, the experiences of Communist political systems would predict that major post-revolutionary institutional changes do not occur as long as the first generation charismatic revolutionary leaders are in charge (alive). This is the reality in present-day Cuba; it would seem that reforms will only take place after the Castros. In Cuba, people adopted unofficial everyday strategies to survive, similar to the China of Bakken. The leadership after the Castros will have to have appeal and charisma to bring back the activities within the state sanctions. The present PRC leaders, on the other hand, as Bakken argues, have not only lost the mandate of heaven and the legitimization of Marxism, but they are also lacking revolutionary charisma. For this purpose, the eagerness of China towards soft power thinking produces a useful perspective for analysis. It would bring back the behavior of individuals within institutionalized state norms.

To this end, the soft power theory, as an external influence, was introduced in China during the 1990s. He Xiaodong (1992) and colleagues translated the book of Joseph Nye *Bound to Lead*. Wang Huning (1993) followed with an article entitled *The Culture as a National Power: Soft Power*, initiating Chinese soft power research. In spite of the good start, throughout the 1990s research on soft power remained marginal in China. Efforts were mostly dedicated to translating the writings of Nye. Only after the economic reforms and the introduction of

Figure 1: Related Publications
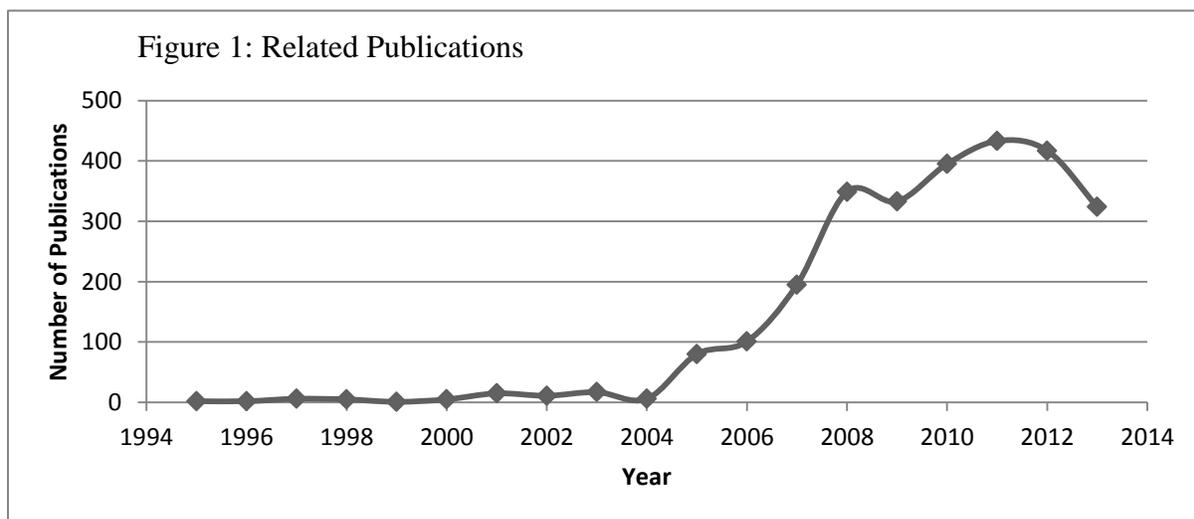
Source: the Journal and Newspaper Database of the Renmin University of China

"peaceful rise" in the 21st century did the trend turn towards particular research and construction of Chinese soft power.[7] Eventually, the CCP had a major impact on promoting soft power research with General Secretary Hu Jintao's famous report to the 17th CPC Congress in October 2007, which outlined national soft power goals and strategy. Figure 1 shows the results of a statistical search using the Journal and Newspaper Database of the Renmin University of China[8], depicting the increase in numbers of soft power-related journal articles published in China since 1993 with a dramatic rise in 2006, no doubt related to the launch of the national soft power strategy by Hu Jintao in 2007. With this trajectory in academic interest, the idea of soft power has been transformed from an external to an internal factor within the Chinese modernization process. The next chapter continues this theme of duality by discussing the domestic and international elements in international literature.

The "Monotists" and "Dualists"

While the world remains culturally *Americana*, the end of the Cold War, global economic development and the spread of market economies have led to a more multipolar world and a relative decline of American hegemony. In this situation, the theory of soft power was developed. The father of the idea, Joseph Nye (1990a, 1990b, 1991, 2002), introduced the idea of the alluring resources of the US enabling it to set the political agenda.[9] Nye (2004) further refined this to include Hollywood films and ideals of freedom and democracy as part of American cultural attractiveness (see also Vyas, 2011: 3). While focusing on the outward image in his discussion of soft power, Nye argued that the US should also pay attention to how it develops its soft power on the domestic front, and further, that successfully implementing it at home is even more important than abroad because other states pay attention to how it acts there (Nye, 2004).

Following the initial formulations of Nye, a body of social science literature has focused on the theory of soft power. Writers such as Mattern (2005), Heng (2010) and Vyas (2011) have contributed to the understanding of the power of attraction and how it relates to the more traditional coercive power. Typical of international literature on soft power, nonetheless, is a relatively narrow perspective. On the one hand, it has mainly dealt with Western understanding and terminology on global affairs and, on the other, it focuses solely on international relations. Following Nye, literature, although also concerned with domestic policies, sees the soft power development in them only as a platform for other nations to observe and thus in the end as

outwardly oriented. This is where the Chinese discourse differs from the Western. It clearly has a dualistic purpose - domestic and international.

Scholars who have published in western journals on the Chinese theory of soft power are increasing in numbers. Seminal works in analyzing Chinese discourse were done by Wuthnow (2008), Li (2008) and Hunter (2009). While Wuthnow (2008) and Li (2008) provided insight into the strategic understanding of Chinese analysts, Hunter (2009) was more interested in the aspects of the rise and the stated peace of China, and the commitment to it within the Chinese culture. According to these theorists, the soft power discourse in China can be roughly divided into three components: 1) The development of soft power is seen as critical in long-term strategic success and in gaining international respect, 2) China wants to become a de facto leader of the developing world using soft power, and 3) with soft power China aims to assure the international community of its peaceful rise.

Where Li (2008, 2009) made a sound argument on the use of soft power for the domestic purposes in advancing Chinese cultural competitiveness, Hunter (2008) has gone deeper into the cultural component explanation arguing that the soft power mentality has been a fundamental part of the historical military thinking of China.[10] Hunter also seems to agree with Bakken (2000) on the exemplarity of moral leadership and links this with the idea of soft power. Wuthnow (2008), for his part, raises two fundamental questions regarding the Chinese discourse: how to combine the three different components of soft power of China and, regarding the competition, what are the concrete measures to counterbalance the US cultural influence? He is right in arguing that there exists a certain dualism in the three components. In gaining international respect, the marketing of China as a Confucian state is hampered by modern Western influence; and as a leader of the developing world, China associates itself with such states that are poorly marketable in the West, which does not help in creating confidence in its desire to be a responsible international player.

Following these seminal analyses, a rapidly growing body of recent Western publications has dealt with the Chinese vision of soft power. These can be divided into two: those who have come to share the findings of Li (2008, 2009) on the dualism of domestic and foreign aspects in the soft power thinking of China, and those who have not. In outlining this, the purpose is not to practice analytical criticism, but to underline the exercise of different angles, and at most, indicate lack of coherence.

In the group arguing for the sole international use of soft power belong scholars such as Li & Worm (2010), who argue for the potential of China to rise peacefully and expand the sources of soft power into six pillars: cultural attractiveness, political values, development model, international institutions, international image and economic temptation. Another study by Cho (2011) raises the issue that China, through reassurance of peaceful rise and participation in international institutions, would promote counter-norms that the study calls "China alternative". In conceptualizing this, Cho names "defensive soft power", meaning the policy of China to attract through assurance of peaceful rise, and "offensive soft power" to attract others to the "China alternative" through "no strings attached" deals.

Blanchard and Lu (2012), on the other hand, criticize the literature on China and soft power and argue for a more articulated approach in three aspects: the form, target and context. As it is understood here, they also call for a more precise methodology, which would also seem to neglect the dualistic basic principle of Li (2008, 2009) and fall onto the Nye platform. This is also true of Nordin (2012), who writes about the paradoxical nature of the 2010 Expo messages and interestingly draws a parallel between that and the way the rise of China can be seen as both a threat and an opportunity. Ding (2012) takes the poor human rights situation in China as a starting point and argues that it severely hampers its soft power. In doing this, however, he also follows Nye in depicting soft power as only a mediating force in international relations.

According to the rough literary divide proposed here, there are those who see dualism in the nature of Chinese soft power talk, and those who have adopted other forms. The examples of the former begin here with Cao (2011), who dwells on the formalities of discourse and draws socio-political meanings from the Chinese media while recognizing the difference between the instrumental formulation of Nye and Chinese domestic nation-building. He also makes a distinction in the latter between two components: Marxist-socialism and traditional culture, although maintaining that Marxism will one day be displaced by a broad-based popular indigenous value system. Barr (2012) approaches Chinese soft power rhetoric through branding. He explicitly argues that Chinese soft power deployment is as critical at home as it is abroad. Barr also brings up the agenda of Beijing for nation-building and legitimatization. Edney (2012), for his part, is interested in the Chinese propaganda system and the interaction between domestic and international politics. This is both his starting point and conclusion in regard to soft power. Liu (2012) would seem to argue that, due to the calls for soft power use in China, an ideological

crisis is emerging. No doubt he is right in asserting that the revolutionary culture is increasingly at odds with the economic developments, but he fundamentally differs in seeing the direction of the crises emerging from the soft power discourse. In any case, the domestic dimension of soft power is also for him unquestionable. Finally, no literary review dealing with the domestic dimension of the soft power of China would be complete without stressing the important contributions by Callahan (2010) and Callahan & Barabantseva ed. (2011). For Callahan, cultural identity and security intermingle with the importance of history in constructing the modern Chinese soft power idea.

In recent years, analysts in China have indeed come to adopt the concept of soft power and radically localized it to the Chinese intellectual environment. Soft power theory with "Chinese characteristics" has evolved into a concrete policy ambition for the CCP for both international and domestic purposes. The next chapter proposes a synthesis of the most recent elements in the Chinese academic soft power discourse. The development of soft power with Chinese characteristics is formulated based on a sentiment of rising cultural crises and a need for cultural security against a Western cultural threat through the soft power of culture.

The Necessity of a Cultural Safety System

An understanding of the multifaceted nature of the Chinese soft power rhetoric requires a brief look into the landscape of local terminology. The term soft power has been translated in various ways in Mandarin. The term "ruan shi-li, 软实力" is usually used to describe "soft power", whereas "ruan quan-li, 软权力" translates into "soft authority", "ruan li-liang, 软力量" into "soft strength", and "ruan guo-li, 软国力" into "national soft power". These different translations are variedly used in Chinese literature. However, ruan shi-li, 软实力 is more used in the context of cultural construction or strategy and has a more domestic angle. Ruan quan-li, 软权力, on the other hand, would seem to be used in an international power perspective, more in the spirit of the original theory of Nye. Different from this, and also relevant here, are the extended concepts "wen-hua ruan-shi-li, 文化软实力" which translates into "cultural soft power" and "guo-jia wen-hua ruan shi-li, 国家文化软实力" which is "national cultural soft power".[11]

As becomes clear through the linguistic complexes, it is indeed difficult to find any consensus in the rhetoric; it is scattered and multiple variations exist. Soft power has been extended to areas of regional society (Wang & Qin, 2011), business management (Sui, Guo & Sun, 2011), urban construction (Zhang, 2011), education (Jiang & Song, 2011) and many others. The scope of research has moved from translating the ideas of Nye towards analyzing, theorizing and constructing a Chinese soft power vision. The only common denominator for all Chinese visionaries remains a demand for a concept of soft power with Chinese characteristics. Guo (2012), for instance, recognizes the difference between national and international soft power in her article "From national to international soft power" (Cong guojia ruan shili dao guoji ruan quanli, 从国家软实力到国际软权力) where "ruan shi-li, 软实力" indicates the domestic and "ruan quan-li, 软权力" the international. Zhao, Li & Cai (2011), in particular, see the necessity in differentiating the soft power theory originating from the "American discourse", and in enhancing the soft power of China by developing a theory with local traditions. They refer Liu (2006):

> There might be a serious ambiguity and misunderstanding, if we continue to use Nye's soft power definition and connotation as a value base on analysis of China's power construction. Presently the theoretical point of China's soft power construction is neither the traditional view of comprehensive national power, nor the western-style soft power theory but the soft power theory with Chinese characteristics. (Zhao, Li & Cai, 2011: 41. See also Liu, 2006)

The early stages of soft power research in China thus reveal two interconnected phases: firstly, a move towards Chinese formulations from the original idea of Nye and, secondly, a comparison between the soft power of the US and China. Regarding the latter, the views of Chinese scholars also differ significantly. Liu (2001), for instance, claims that soft power provides a new angle in researching the nature of American hegemony. According to him, the rapid expansion of US soft power after the Cold War promotes "Americanization" within the processes of globalization, changes the dynamics of power competition and raises historical challenges not only for developing countries but also for major Western nations. Wang (2007), on the other hand, argues that the major source of US soft power is its hard power, which is the strongest in the world. By combining these two, Wang claims, the US can fully exploit its resources to have the maximum

effect on other countries. American popular culture has had an enormous impact on the development of other cultures since the 20th century, and would thus be a major source of US soft power. Therefore, Wang concludes, the global expansion of American soft power is an important part of the contemporary soft power theory.

Wang (2013) also sees traditional Chinese culture being threatened by globalization and Western forces. He argues for more protective and proliferating measures for the national culture of China in the film and television industries, as it is "under attack by foreign cultures" (zhongguo chuantong wenhua zai wailai wenhua chongji xia, 中国传统文化在外来文化冲击下). Using the notion of "cultural imperialism" (wenhua dìguo zhuyi, 文化帝国主义) he fears that through Hollywood, the Chinese may start to turn towards "American values" (meiguo de jiazhi guannian, 美国的价值观念). In conclusion Wang notes that the Chinese television and film industry has a long way to go to protect and proliferate the national Chinese culture. Zhao, Li & Cai (2012) summarize the opinion of Chinese scholars on US soft power by criticizing "American cultural hegemony" and proposing measures to respond in defense of "Chinese cultural security" (wenhua anquan, 文化安全). They also recognize a strategic need to strengthen the soft power of China (Zhao, Li & Cai, 2011: 39).

This strategic vision to safeguard domestic culture does not indeed identify the US as a sole threat. For some Chinese analysts, globalization, proliferation of market economy and modernization are perceived as belonging to, in general, western terminology. They see that in the West "modern" is "good" and "traditional" "bad". Wu (2011) interprets "cultural homogenization" (wenhua shang de tong-zhi-hua, 文化上的同质化) followed by globalization causing "blurring of national cultural identity" (minzu de wenhua shenfen ye bian de mohu, 民族的文化身份也变得模糊) leading to "anxiety and crises" (jiaolu yu weiji, 焦虑 与危机) for non-Western cultures, especially China. He sees globalization as bringing with it "foreign cultural hegemony" (wailai wenhua baquan, 外来文化霸权), "cultural colonialism" (wenhua zhimin, 文化殖民) and "general public westernization" (shehuì dazhong xifang hua, 社会大众西方化). Looking back, the idea of cultural security stems from two seminal articles by Lin Hongyu (1999) and Rong Zhuchuan (1999). Following that, in a 2004 volume entitled *National Security Studies,* Liu Yuejin devoted a chapter to cultural security. Pan (2005) then dealt with the

relationship between present-day national security (dangqian guojia anquan, 当前国家安全) and culture. According to him, cultural security mainly refers to "political cultural security" (zhengzhi wenhua anquan, 政治文化安全) including "political values" (zhengzhi jiazhi, 政治价值) and "social management system" (shehui guanli zhi, 社会管理制). He also stressed that culture is not only a subdomain (zi-yu, 子域) of security, but an essential part of it; this threat may come from inside or outside a nation in the form of an "open challenge to government legitimacy" (zhengfu hefa xing quanwei de gongkai tiaozhan, 政府合法性权威的公开挑战), other "social conflict" (shehui chongtu, 社会冲突) or "civil war" (neizhan, 内战). These early writings recognize the need for cultural safety but do not provide any larger perspective. This task has been taken over by Shen, Liu & Ni (2011) in analyzing cultural safety by linking it with the idea of soft power. To them, cultural safety means security through national cohesion (minzu ningjuli, 民族凝聚力) while maintaining an intact ideology. They claim that the prosperity and decline of a nation would be dependent upon the rise and fall of the respective culture.[12]

National culture, they further argue, is the historic accumulation of national ethos as a specific "survival guide" of the nation. National culture is also the symbol and basis of national identity, and more, it is a source of strength for ethnic affinity and cohesion. Should there be no national culture, a country can lose its cultural soft power in competition with other countries. Again, if the character of national culture is not preserved in the pressures of globalization, a cultural crisis of a nation-state is inevitable. Therefore, upholding and defending cultural traditions should lead to more reliable national security. In this sense, they argue, cultural safety is factually tantamount to national sovereignty, and a sound cultural safety system or national cultural security (minzu wenhua anquan, 民族文化安全) should effectively guard the cultural soft power of a nation in the midst of globalization (Shen, Liu & Ni, 2011: 32-33).

It is also important for China, according to Shen, Liu & Ni (2011), to develop creative industries to uphold the "national character of culture". The goal of this is to become a "source of strength" for cultural safety. Maintaining the national character of culture is seen as a basic condition for the culture development of a nation, and also the intrinsic motivation of "national survival". Thus, they add, the Chinese must carry forward the "outstanding achievements of national culture", and construct a "shared spiritual home" for the Chinese (Shen, Liu and Ni,

2011: 35-36). According to them, it is of highest importance for China to constantly adjust the structure of its cultural industry and form cultural industry groups.[13]

With this in mind, Li & Shi (2011) look at the inwards soft power projection of the ruling class, calling it domestic social management or soft power of the ruling class – "ruling soft power". This means that, after gaining a ruling position, a class exposes members of society by mandatory means to dominant ideology, public opinion or cultural education to maintain the ruling status; to ensure status quo and the stable development of society. Li & Shi name three principles of the ruling soft power:

> 1) Only the ruling body can possess ruling soft power, no other individual, social organization, etc.
>
> 2) Ruling soft power is a humane social management repertoire, which is realized through such flexible methods as dominant ideology, cultural education or public opinion, while maintaining people orientation, in other words, people dependency.
>
> 3) The goal of ruling soft power is to advance the position of the ruling body by attracting members of society and obtaining widespread support.
>
> (Li & Shi, 2011: 201)

The need for a "ruling soft power system" might stem from the need to create legitimacy for the current establishment of China. However, the perceived threat of cultural globalization and the recent ideological turnaround in economic thinking could also be seen as reasons why there exist concerns over developing social anomie or, as Wu (2011) calls it, a "national sense of apathy" (minzu yishi danmo, 民族意识淡漠). Lee (2011), for instance, is worried about the mental state of the Chinese people. He argues that, due to the transition of society, the mentality of some people is "getting gradually out of balance" (jian shiheng, 渐失衡), "the moral sense confusing" (daode yishi chuxian-mimang, 道德意识出现迷茫) and their "values distorted" (jiazhi quxiang fasheng niuqu, 价值取向发生扭曲). Shen, Liu & Ni (2011) also argue for a crisis in the Chinese "cultural identity" (renting jiaolu, 认同焦虑). They claim that cultural identity is an important basis for the Chinese nation state to maintain the "legitimacy" (hefa xing, 合法性) of its existence. If cultural identity is threatened, so is the existence of the country (Shen, Liu and Ni,

2012: 35). They also recognize two manifestations of this: 1) Some groups and people in China doubt traditional cultural values and the mainstream solutions offered to them by the CCP, 2) Western moral values constantly account for cultural markets in developing countries including China (Shen, Liu and Ni, 2012: 35).

Finally, visible in Chinese analysts' understanding of contemporary modernization is also a yearning for Marxism. Xiao (2013), for instance, depicts the events after Marxism as "drastic change" (su dong jubian, 苏东剧变) and adds that "people's thoughts were shocked" (ren de sixiang chansheng dongyao, 人的思想产生动摇) and "feelings for the future confused" (dui weilai de fa-zhan gandao mimang, 对未来的发展感到迷茫). He believes that an understanding of Marxism has practical significance in order to keep a clear head and that the "strengthening of faith in communism is of crucial importance" (jianding gongchan zhuyi de xinnian youzhe zhi guan zhongyao de yiyi, 坚定共产主义的信念有着至关重要的意义) (Xiao, 2013: 1-2). This form of popularized Marxism is also present in one of the two models that are constructed in the final chapter of this paper. It will consist of the dynamics of the current self-reflection of modernization, placing cultural soft power at the center of the analysis.

A Soft Power Self-Reflection: the Dynamics

In explaining the circumstances of present-day Chinese soft power understanding, two models are created in this paper. Before constructing these, the arguments are summed up: 1) Chinese academics are localizing the originally Western idea of soft power both to domestic and foreign policy; 2) The localizing of soft power idea must be placed in a historical context of self-reflection, which explains the duality of Chinese socio-political change: the foreign and domestic influences; 3) The interplay between "western practicality" (yong, 用) and "Chinese essentials" (ti, 体) could not function because of contradictory goals and principles; 4) A peaceful international environment and stable domestic scene are necessities in relation to one another. Should one fail so will the other, which is the nature of the most recent stage of modernization of China and interplay with international society; 5) Cultural soft power (wenhua ruan shili, 文化软实力) is seen as a tool and filter to counter the differences between the Western influences towards China and Chinese influences towards international society.
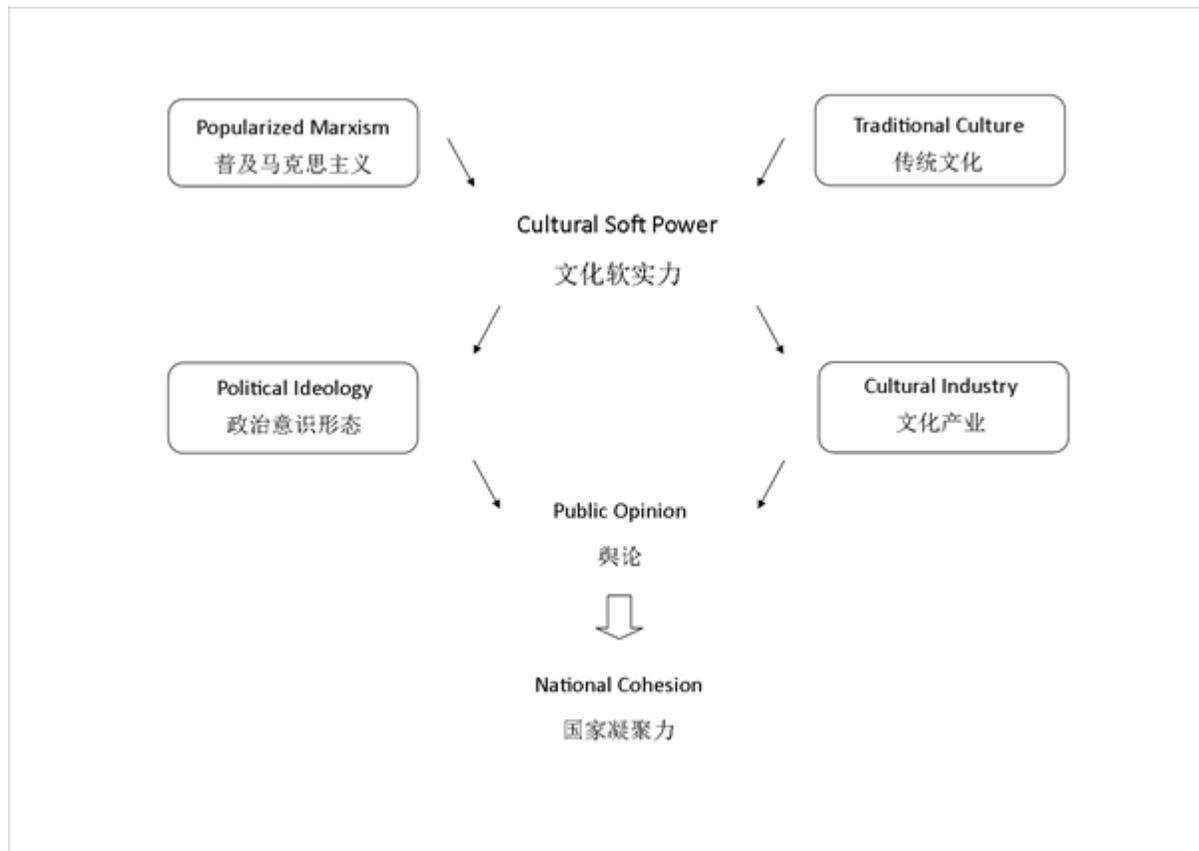
    Figure 2: Cultural Soft Power in the Domestic Scene

Cultural soft power would seem to have two functions in the domestic scene of China as shown in Figure 2. Firstly, it shapes the cultural industry, whose primary function is also twofold: to produce cultural products and to produce profit. Cultural soft power would also seem to determine the political ideology of the PRC. Both the cultural industry and political ideology are being fed by images of traditional China. Figure 1 also explains the politico-cultural modernization of China in a single argumentation synthesis. In the model, the end result "national cohesion" is synonymous with stable domestic society and especially the legitimacy of the Communist Party. Feeding images of the traditional culture of China and popularized Marxism through a cultural soft power "filter", the Party would seem to mold modern political ideology, influence cultural industry and generate positive public opinion. These then bring forth legitimacy for the Party and stability for the nation. Regarding the domestic scene, the popularized and mainstream twists of old Chinese thinking may or may not replace the need for civil society, democracy and human rights. To "influence with virtue" does, however, sound

undeniably fitting in the field of social management. In any case, when battling, and mostly losing, the censorship war against the free transference of knowledge, the PRC would seem to try to influence information in the direction of cohesion and national dignity.

It is argued here that to understand contemporary Chinese soft power rhetoric is to understand its past relation with itself vis-à-vis international society. The present vision of Chinese analysts is then modeled in Figure 3. To be able to create a stable domestic scene, China needs to modernize its economy and society through knowhow from the international community, but to achieve this it needs a conflict-free international scene that accepts Chinese domestic governance. Cultural soft power is then brought to "filter" the flow of information in
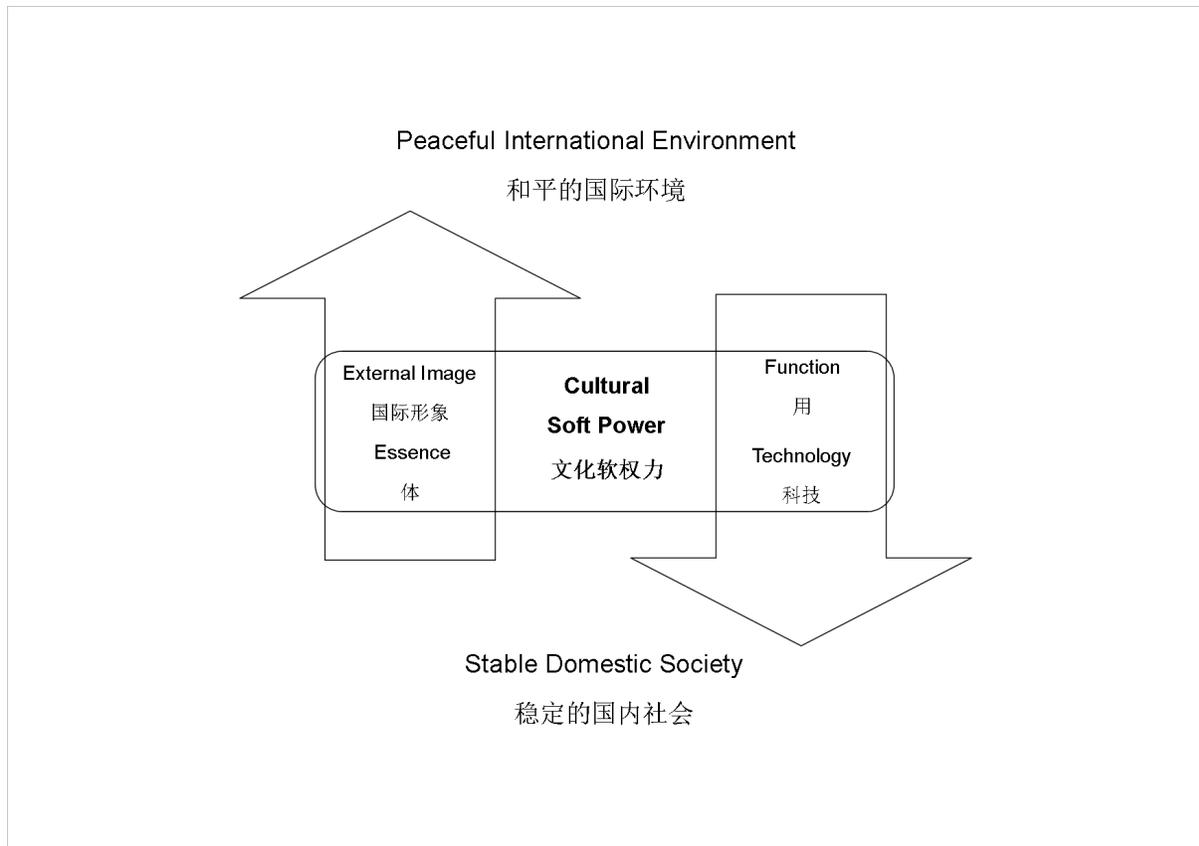

Figure 3: Cultural Soft Power in the International Scene

both directions using images of traditional China to offer an answer to the dualistic dilemma of present PRC government: legitimization in domestic politics and assurance of China's peaceful and responsible reputation on the international scene.

Considering the cause and effect in this model, which is interpretive in nature, we can say that C1 (stable domestic society) through external image projection has the effect E1 (peaceful international environment), so C1 → E1. Similarly C2 (peaceful international environment) has, through modernization, the effect E2 (stable domestic society), where C2 → E2. In this way C1 = E2 and C2 = E1, making them interdependent. A necessary condition for C1 = E2, C2 = E1 is the cultural soft power intermediate that filters the flow of information. Without conceptualizing the domestic ruling of China, the crucial cooperation for modernization with the rest of the world cannot be understood.

Concluding Remarks

Chinese scholars appear to be divided into two camps on the issue of what constitutes the core of soft power. On the one hand, it is argued that cultural power is the core element and, on the other, it is asserted that the core would be political power. Based on this, a myriad of analyses have appeared. In fact, to understand the main driving force behind the scholarly ambition of China on soft power is to see it through localization; in the context of and based on Chinese reality.

This paper suggests that the practice of soft power has become a central interest for the Chinese analysts to tackle image problems internationally and cultural anaemia domestically. In contrast to the "monotists" in literature, this article verifies the dualistic findings of Wuthnow (2008), Li (2008) and Hunter (2009). Additionally the notion of cultural soft power is conceptualized through the need for cultural security in the Chinese discourse against the perceived cultural threat from the West. It would be simplistic to label the formulations of Chinese academia as "nonsense", "naïve rhetoric" or indeed "propaganda", but an understanding of the historical developments in international relations, Anglo-American cultural hegemony and the recent past of China will place them in a more analytical context.

A discourse for modernization was present in China from the Opium Wars to the May Fourth Movement. The current soft power enthusiasm could be seen as a legacy of this continuum, as another period of "self-reflection" – after the Chinese understanding of history. It takes form in the exemplarity of the state vis-à-vis the individual, as partly suggested by Bakken (2000, 2002), thus retaining the feudal submission to the central state. In declaring a crisis for present Chinese culture amid globalization, the discourse of cultural soft power also seeks

national salvation through cultural security. This, as noted by the "dualists" in literature, is best seen by the Chinese to be possible in a peaceful international environment.

While Chinese leaders remain selective in accepting liberal western ideas, Chinese analysts are also accepting no western academic theories at nominal value. They would seem to be utilizing a history-aware national mentality - of inadequacy. For China, it appears, history comes in the form of Western hegemony. As far as China is concerned, the end of the Second World War and the downfall of the Soviet Union both had a similar effect on international dynamics: the US emerged as the dominant power. The rectification of China, however, would seem not only to be geopolitical and indeed military, but also cultural.

Therefore typical to the intellectual soft power efforts of the Chinese scholars is the juxtaposition of China and the US. From the need to theoretically differentiate from the original, to the not-so-underlying contempt of the hypocritical attitudes of the West, Chinese elite thinkers could be seen as showing feelings of uncertainty in the face of present and looming competition. The US involvement in the Pacific and the containment of China are the geo-political side of the coin. The difference between the soft power of the US and China, in the end is that, where the former is based on attraction that was thought to represent an original motivation of the people, the latter is more a calculated plan developed to function as a policy tool. This is not to say that the cultural soft power of China would not be based on original motivation of the people, and that the soft power theories of the US are not aimed at policy planning. In any case, Chinese soft power should be best viewed as a security issue. Future research should focus on the policy implications of cultural soft power both in PRC domestic and foreign politics – not forgetting that the outward soft power projection of any nation is symbolic and abstract in nature and includes a conscious or unconscious self-reflection.

Notes

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[1] 1st International Conference of National Soft Power 2011 (ICNSP), Soft Power Innovation and Development in Today's China, Jinan, China, 22-25 October 2011. The presenters in the conference represented more than twenty universities and research institutes in China. The conference publication was edited by Konglai Zhu and Henry Zhang and published in the English language by the Aussino Academic Publishing House. Although the conference was dubbed "international" and published in English, here it is considered as belonging to the Chinese discourse.

[2] Although this sample data can be considered as representative of the current academic discourse in China, the influence of the discourse participants in the actual foreign policy decisions remains ambiguous. A similar disclaimer can be found in Joel Wuthnow (2008) "The Concept of Soft Power in China's Strategic Discourse".

[3] Wang Xi acted at the time as Professor of History and Economics at the Fudan University, China.

[4] In Mandarin 体 consists of two elements, from a feudal, totalitarian political system and that part of Confucian philosophy that serves such a system. 用 on the other hand, here refers to western science and technology. 体 was the goal and 用 the method to serve 体. At the time, amid Western influence, this slogan served a compromise purpose. The advocates of traditional China could live with it because it maintained 体, and the ones for modernization could accept it because it acknowledged western techniques (Wang, 1997: 13).

[5] Børge Bakken acted at the time as Senior Researcher at the Nordic Institute of Asian Studies (NIAS).

[6] Important in his analysis, however, is the notion of individual action superseding cultural systems of control. Culture should be understood as a "repertoire of possibilities" or "setting the agenda" of the socialized agency. Individuals have "a feel for the game" and create "strategies" to overcome the forces of culture.

[7] See Zhao, Li & Cai (2012) for a review on the history of soft power research in China.

[8] Zhongguo renmin daxue fuying baokan ziliao shujuku.

[9] He acted at the time as dean for the Kennedy School of Government at Harvard and the Assistant Secretary of State in the Clinton administration. As a formidable political figure in the US, and the American interests in mind, he obviously directed the idea for the US.

[10] Hunter refers to the Art of War by Sunzi (Hunter, 2008: 378).

[11] Additionally in Chinese literature there are also such extensions as "political soft power" (zheng-zhi ruan shi-li, 政治软实力), "military soft power" (jun-shi ruan shi-li, 军事软实力), "soft power of thinking" (si-wei ruan shi-li, 思维软实力) and "meal soft power" (zhong-can ye shi ruan shi-li, 中餐也是软实力).

[12] As an analog, they mention the Jewish ideology of returning home to Israel after times of hardship and exile. The Zionist power would stem from the Jewish national spirit and culture, the Bible functioning as a cultural carrier.

[13] Recent years have seen some development: in 2010, the State Council decided to accelerate the integration of radio, television and internet to break down barriers in the media industry (Shen, Liu & Ni, 2012: 35).

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Chinese Debates on the Democratization Process

Peer Møller Christensen[*]

Abstract: The new economic importance of the Chinese economy has created Chinese expectations that the country will be able to regain a political and cultural position in the world in accordance with this economic status. But for China to become a respected member of world society, one of the most severe obstacles is its, from a western perspective, undemocratic political system. The article describes the lively debate going on among Chinese intellectuals of diverse political-ideological convictions about what kind of democracy should be the model for China's future political system. The liberally oriented intellectuals want a political system very much like American liberal constitutional democracy, while intellectuals on the left side of the political spectrum want a democracy with a clear socialist basis. Although Chinese intellectuals form a minority in society, these intellectual debates are sure to have influence on both public opinion and opinions and attitudes among political decision makers inside the Chinese Communist Party. Further investigations will have to establish to what degree the perceptions of China's political future and democratization are reflected in the political attitudes among the Chinese in general, and how they are perceived inside the confines of political decision making in the Chinese Communist Party. Only then will it be possible to answer the questions: "What kind of democracy do the Chinese want?" and "What kind of democracy are the Chinese going to get?"

Introduction

China is rising - this is an indisputable fact. Economic development in China during the last thirty years has resulted in a fundamental change in the Chinese economy. China's economy has become the second largest in the world, and it seems inevitable that it, within the next decade, will become the world's largest economy. China will then have reclaimed the position in the global economy it possessed around the year of 1800. The new economic importance of the Chinese economy has created Chinese expectations that the country will be able to regain a political and cultural position in the world in accordance with this economic status. But for China to become a respected member of world society, one of the most severe obstacles is its, seen from a western perspective, undemocratic political system. Since the end of the Cold War the main contradiction in the world - according to the dominating western worldview - has changed from a contradiction between capitalist democracy and communist dictatorship into a more generalized contradiction between democracy and authoritarianism. Development from totalitarian/authoritarian government towards democratic government is seen as a universal law

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of history, making society increasingly free. Steps in this global development include the profound political changes in the southern part of Europe from fascist military dictatorships in Spain, Portugal and Greece and communist one-party dictatorships in the USSR and Eastern Europe towards democratic societies. Recently the so-called "Jasmine Revolution" or "Arab Spring" has given further credibility to this concept as dictatorial regimes have been toppled in a number of North African states. This transformation from dictatorship to democracy paves the way for these countries to become respected members of a world system, dominated by the USA.

Bruce Gilley in his predictions on "China's Democratic Future" (Gilley, 2004) states that the main reason for the West to wish for a democratization of China is the fact that this would diminish the danger of conflicts between China and the Western world; it is theoretically assumed that no democratic country will ever attack another democratic society. A democratic China would therefore not be a security risk for the Western world.

The book by Liu Jianfei, *Democracy and China*, has the explicit aim of removing the "undemocratic" label attached to China (Liu, 2011) in order to pave the way for China's acceptance as a respected member of a world system dominated by the USA. The question is, however, if it will be possible for China to follow in the footsteps of this development without undertaking a fundamental change of its political system. Two incidents from China's recent history stand in the way of a recognition of China as an authoritarian political system developing towards a democratic state: The massacre in Beijing in 1989 following students' demonstrations demanding democracy. The sentencing of Liu Xiaobo to eleven years in prison in 2009 after the publication of "Charter 08", a manifesto demanding a democratization of China's political system and signed by thousands of Chinese citizens. These incidents have formed a perception in the West of a Chinese political elite using extremely violent means in their struggle against any democratic development challenging the authoritarian rule of the Communist Party of China. The political elite seems to be engaged in a life or death struggle with a number of dissidents representing the interests of the population in the building of a democratic society following the pattern of the western liberal democracy. This rather one-sided black and white picture of political developments in China based solidly on the grim shadow of the above mentioned incidents seems to block a global recognition of a China developing towards democracy.

The aim of the following article is to describe the discussions among Chinese intellectuals on different perceptions of China's political development in the direction of democracy, a concept colored by the differences in political-ideological outlook among the debaters. To what degree these debates will influence the democratic development of Chinese society, and whether or not this development will satisfy western expectations and make it possible in the Western

world to accept China as an equal partner in the global society, would be a natural continuation of this line of thought, but falls outside the scope of this article.

In order to be able to decide whether China's political system is becoming more democratic or not, it will be necessary first to find out what western liberal democracy actually is, and if it is possible among western researchers of democracy to find a unitarian definition of this democracy. In the book *On Democracy*, one of the most famous theoreticians on democracy, Robert A. Dahl, defines democracy as a political system providing opportunities for:

1. Effective participation
2. Equality in voting
3. Gaining enlightened understanding
4. Exercising final control over the agenda
5. Inclusion of adults
   (Dahl, 1998: 37)

Samuel P. Huntington, on the other hand, chooses a *procedural* definition of democracy: "The central procedure of democracy is the selection of leaders through competitive elections by the people they govern" (Huntington, 1991: 6). This definition of democracy was used by Andrew J. Nathan (Nathan, 2008) in an investigation of "...what influential actors and intellectuals in China think about the country's future" (Ibid.: 25). He arrives at the conclusion that: "Persons of influence in China who call for democracy are not advocating competitive elections for top posts" (Ibid., 39). Therefore:

> ...the Chinese actors who currently hold influence are not likely intentionally to steer their system toward what most in the West call democracy, for the simple reason that most of them do not believe in it. If democracy in the liberal, pluralistic sense is going to come to China, either the actors will have to change their minds or they will have to lose control over the process. (Ibid.: 39)

In this connection it seems obvious to ask first, whether western liberal democracy is the only perceivable form of democracy, and second, if it is possible to compress the essence of democracy into an operational parameter as "selection of leaders through competitive elections by the people they govern" (Huntington, 1991: 6).

The discourse about democracy among western researchers seems to question this idea of democracy as being universal and optimal. Bruce Gilley and Liu Jiafei both describe the market as the democratic economic parallel to political democracy. The market, according to them,

represents the aspect of economic democracy in western liberal democracy. But contrary to this, Robert A. Dahl criticizes the narrowness of liberal democracy in limiting democratic decision-making to the political sphere of society. In the book, *A Preface to Economic Democracy* from 1985, he discusses the question whether the democratic ideal of political equality can be realized in a society with widespread economic inequality; Dahl states that economic inequality inevitably will lead to political inequality. Unequal access to economic resources means unequal access to political resources and this will undermine the political equality of citizens in society. When the first modern democracy was established in the USA, this was not a problem because farm land, at that time the most important source of economic wealth, was available in virtually unlimited quantities. With "…a modicum of guile, fraud, violence and blunder…" (Dahl, 1985: 71), land could be robbed from the original inhabitants, the Indians, and any settler would in principle be able to increase his economic resources for as long as he wished. The original settler society was thus characterized by a high degree of equality among white male settlers in an economic as well as political sense. But this historically unique situation disappeared when a new economic order, "corporate capitalism", replaced the original settler economy. In corporate capitalism wealth is not readily available for all citizens, and this economy inevitably creates inequality in the distribution of property and economic resources and thus also political inequality. A prerequisite for a true democracy in corporate capitalism is the extension of democracy to the economic sphere, and this means that there must be greater equality in the distribution of society's economic resources and democratic influence on the decisions taken within the private companies. According to Dahl, the solution cannot consist in building a "bureaucratic socialism" because this type of society also has a tendency to cause so much inequality in access to social and economic resources that it brings about "…violations of political equality and hence the democratic process." (Dahl, 1985: 60)What Dahl wants is an extension of the democratic process to include businesses. All the arguments justifying political democracy, i.e. leadership of the state, can, according to Dahl, just as well be used to argue for democracy in the management of individual companies. A state is a political system built around power relations between government and the governed (the citizens). Likewise, a company may be described as a political system where power relations between government (business administration) and the governed (company employees) exist. The political decisions taken by the management of a company are essential to and binding for the employees of the company, in the same sense as political decisions are binding for all individual citizens of the state. If the democratic process is a fundamental value to society, the members of any community, and this includes companies, should have the right to self-determination, i.e. the right to influence decisions that have an effect on their lives, through a democratic process.

Since the foundation of the United States of America, there has, according to Dahl, been two opposing answers to the question of what should be considered most important, private property or democracy, because these two are in obvious contradiction to one another. Proponents of the primacy of property believed that concern for political equality had to give way to the interests of private property. Supporters of democracy insisted that a person's right to self-determination was more basic than ownership. The protection of private property was introduced in the U.S. Constitution alongside a number of other fundamental rights. This was, according to Dahl, understandable in the original agricultural settler society, where the private property of each individual was closely connected to the ability to sustain life. But after the transition to corporate capitalism, the fundamental right to private property from the agricultural society was continued as the ideological justification of private ownership of capital. According to Dahl, one cannot, however, simply transfer the natural moral right to own, "... the shirt you wear on the body and the cash you have in your purse" (Dahl, 1985: 75) for the right to acquire shares in a company and thus achieve control of economic decisions.

Dahl argues that the democratic right to self-determination takes precedence over private property, and it must therefore be possible for members of a community and that community's political representatives to decide democratically how companies are to be owned and controlled to ensure values as "democracy, fairness, efficiency, the cultivation of desirable human qualities and an entitlement to such minimal personal resources as may be necessary to a good life" (Dahl, 1985: 83).

Just three years after the publication of Dahl's book, the Berlin Wall fell, and the world had changed. The Cold War world system was replaced by a new world system with only one superpower. Neoliberalism captured the global economic and political discourse and the image of the ideal democratic capitalist society was soon supplemented by theories of a new crisis-free capitalism. At the same time, the concept of socialism became synonymous with political dictatorship. Socialist ideas such as Dahl's notions of economic democracy were pushed into the darkness, and when political scientists since then have referred to his theories of democracy, they have overlooked the book from 1985. In China, however, this book and the viewpoints presented in it form important parts of the discussions on democracy.

When analyzing political developments in China, western researchers often use a distinction between reformers and conservatives as an analytical tool. This distinction is shaped by the political spectrum as manifested in the US political system, consisting of conservatives and liberals, but with no room left for socialist ideology of any kind. *Reformers* are intellectuals and politicians interested in reforming the economic and political system in China, while *conservatives* are defending the existing economic and political system. Sometimes this approach

results in the rather awkward pooling together of the entire Chinese left-wing with neoconservatives, forming a united conservative front against the reformists. In my opinion it is much more advisable to use the European political spectrum, reaching from left to right, from communism/socialism to the left and conservatism/fascism to the right. This is also the way most Chinese intellectuals perceive political differences of opinion, and the European concepts are broadly used in the identification and self-identification in the political discourse in China.

In China's academic circles, a political spectrum of political-ideological perceptions has developed since the middle part of the 1990s. The core of academic ideological discussions in the latter part of the last century was most outspokenly expressed in the debates between the Neoliberals and the New Left. Apart from these two major groups a number of perceptions distinctively different from these emerged, and political discussions in Chinese academic circles in the last decade have circulated around a spectrum of political-ideological perceptions/groups, presented along ideological lines in accordance with the political spectrum of Western European design from right to left: Neoconservatives, Neoliberals, Social Liberals, Social Democrats, The New Left, The Old Left. Outside of this European-style political spectrum one can find "Political Confucianism". The number among these public intellectuals who have spent years studying in the West is impressive, and explains the fact that almost all of them are very familiar with western political ideas and discussions.

These different groups of public intellectuals differ fundamentally in their views on the development of China and the economic, political and social aspects of this development. Not surprisingly, their perceptions of the present Chinese political system and interpretation of the necessity or possibility of democratization of this system are fundamentally different.

Among the neoconservatives, a certain skepticism about forced political reforms exists because it is feared that a hasty democratization would lead to a new weakening of state power. Many neoconservatives also believe that China is not yet ready for democracy.
Liberalists, Neoliberals, Social Liberals and Social Democrats, all advocate the establishment of a constitutional democracy. The different shades of liberalists furthermore oppose direct democracy, believing that it could lead to destabilizing mass demonstrations and unrest.
Intellectuals from The New Left emphasize the connection between political and economic democracy, and laud some of the experiences with political institutions from the Maoist past, the so-called "mass democracy" of the Cultural Revolution. The old left may be divided into two groups: Maoists and Orthodox Marxists. The Maoists oppose a bourgeois multi-party system and, like the New Left, support "mass democracy." Orthodox Marxists advocate a combination of economic and political democracy, and respect for the principles of the Paris Commune. Political Confucianism, as presented by Jiang Qing in the Appendix 2: Jiang Qing's Political

Confucianism, in *China's New Confucianism* by Daniel A. Bell, (Bell, 2008) advocates a tricameral system with an important element of meritocracy and conservatism. The ideas of Jiang Qing seems quite far removed from democracy.

Debates between public intellectuals representing these different political-ideological groups are easily followed in the Chinese media and Chinese blogs and websites on the internet. It is, however, frustrating that it is impossible to follow how this discussion is reflected in debates inside the Chinese Communist Party. This is a consequence of the principle of democratic centralism. According to this principle, which is the ruling principle of party conduct, discussions inside the Party are free and allow for differences of opinion among participants, but once a consensus has been arrived at, only this consensus is presented to the public, while disagreements are kept secret and only accessed by the public as rumors and speculations. Therefore, it is close to impossible to analyze discussions about political reforms and democratization in China inside the Party. It is only possible to analyze discussions among public intellectuals, and make the assumption that this discussion is actually reflected into and, at the same time, a reflection of disagreements inside the Party.

Discussions on Democracy Leading up to the 17th Party Congress

If we turn our attention towards the 17th Party Congress convened in November 2007, we will notice a heated debate on the question of China's democratization performed by representatives of these different groups in the time leading up to the congress.

On March 4, 2006, a secret conference was held in the mountain village Xinglin west of Beijing. The conference was organized by the China Society of Economic Reform (CSER), a think tank under the State Council, with the purpose of discussing the topic: "China's macro economy and progress of reforms", but the discussions also touched upon the perspectives for political reform in China.

40 high-level experts - economists, lawyers and government advisers attended the conference, which was chaired by the President of CSER, Gao Shangquan. Also present at the conference were: Zhang Weiying Professor of Economics, Beijing University, He Weifang, Professor of Law at Beijing University, Li Shuguang, Vice Dean of China Politics and Law University, Beijing, Xie Ping, official of the central banking system, Zhang Chunlin, restructuring expert at the World Bank, and former member of China's State Economic and Trade Commission, Zhang Shuguang, Beijing Economic Research Institute. In China, all of these intellectuals are known to be Neoliberals or Liberals.

The conference was held in secret, but one participant, Li Yang, wrote down comprehensive notes, which were later published. At the conference, participants according to Li

Yang's record, suggested that China should emulate Taiwan's political system, that the Communist Party of China should be divided into two factions, the military should be under state command; furthermore, neo-liberal participants at the conference allegedly complained that the ideology limited reformists, so they often had to pretend they were moving to the left, when they, in fact, were moving towards the right. At the meeting, it was also stated that the phase of "economic reform" was over, and that China should now move towards "political reform". When news about the conference was published, a number of critical comments emerged on the internet, accusing the participants of the conference of planning to undermine China's socialist system.

In October 2006, Yu Keping published an article, "Democracy is a Good Thing" (Minzhu shi ge hao dongxi) which attracted broad attention and also played a significant role in the discussions about democratization up to the 17th Party Congress. In the article, Yu Keping stressed the need for a democratization of the political system in China, but at the same time emphasized that the process should be gradual and based upon Chinese historical conditions. One concept coined in this article, "incremental democracy", has become central in the following discussions about democracy in China. The development of a democratic system must, according to Yu Keping, be gradual or incremental like the gradual implementation of the Chinese economic reforms, where the "shock"- strategy, recommended by some western economists, was avoided. In the same way, a "shock"-like reform of the political system would not be advisable, as it would challenge China's social stability.

During 2007 in the months leading up to the 17th Party Congress, the journal, *Study Times* (Xuexi Shibao), published by the Party School of the Central Committee of the Communist Party of China in Beijing, brought a number of articles focusing on the gradual nature of democratization and stressing the link between market economy and political democracy (*Xuexi Shibao* (Study Times), 2007). The development of socialism with Chinese characteristics means, according to the articles, the development of an economic market and political democratization. These two goals and trends are logic and closely linked together. The fundamental relations of a market economy, i.e. contractual relations, are based on the freedom of choice of the market agents. In this sense the market economy realizes a form of economic democracy, and this economic democracy will inevitably require a corresponding political democracy. Socialist market economy actually constitutes the basis for the development of a socialist democracy. A market economy characterized by freedom, equality and competition may be regarded as a training ground, where people can learn about democracy and have the opportunity to develop democratic virtues and abilities. In order to create a socialist democracy, which is a more

comprehensive and true democracy than the capitalist democracy, it is, however, necessary to ensure that the socialist market economy becomes even more free, more just and more competitive than the capitalist market economy. The political system must be reformed gradually in the same way as the economy was developed, i.e. the democracy already established at village level should be strengthened within the Communist Party, and then gradually extended: from the periphery to the center, from the grassroots to the upper levels, from individual areas to the whole.

This view of democracy was, however, soon after countered both from the Right and from the Left in China. The Liberalist, Liu Junning (Liu, 2007) criticized the idea that democratization of China should be based on the development of internal democracy in the Communist Party. This would only lead the discussion on democratization astray. In his opinion, the effort should be directed towards replacing democratic centralism with a constitutional democracy where the separation of powers through the constitution is used to create a system of mutual control between the three instances of power. This kind of democracy should be the ultimate goal of political reform in China. Zhu Xiaopeng from the New Left attacked the very idea that market economy leads to democracy (Zhu, 2007). He stated that collective production is the true creator of the conditions for political democracy. Democratic leadership in accordance with the principle of one man one vote is a fundamental principle of modern cooperatives' guarantees that a vital economic democracy will exist within the company, and that this kind of company democracy can be extended to society as a whole. In modern western countries, factories and businesses are, in his opinion, totally lacking a political democratic process.

The most controversial proposal in the democracy debate leading up to the party congress, however, came from Professor Xie Tao. Xie Tao, who has been a member of the Chinese Communist Party since 1946, published an article called "Only democratic socialism can save China" (Xie, 2007) in the liberal journal, *Yuan Huang Chunqiu.* In this article, Xie Tao refers to the European social democracy as the only way forward for China, i.e. the establishment of a mixed economy with elements of both capitalism and socialism combined with a constitutional democracy. Xie Tao based his argument for the relevance of social democracy to China on an analysis of international developments since the Second World War. In the postwar period the world was characterized by peaceful rivalry between three types of society: the capitalist system represented by the United States, the communist system represented by the USSR and the socialist system represented by Sweden among other nations. Social democracy prevailed and thus changed both capitalism and communism. The social democratic parties in Europe have downgraded the criticism of capitalism and the bourgeoisie and created a peaceful transition to socialism. Thus, the Social Democrats not only revitalized socialism but also capitalism. A class

compromise between the bourgeoisie and the working class has enabled the creation of welfare capitalism. According to Xie Tao, the Soviet Union's collapse was due to the fact that the Soviet leadership did not follow this trend, but held on to the communist system, and if China wants to avoid a similar collapse, it is necessary to establish a democratic socialist system like the western system. The core of western democratic socialism, according to Xie Tao, is democracy, but it is also important that this system opens the possibility of social differences. Differences in the distribution of production function as an economic impetus in society. If social differences (Xie Tao specifically mentions the Gini coefficient as a measure of these social differences) are too small, society will lack dynamism, but if they are too large they could create social unrest.

Xie Tao's article was soon attacked by representatives from both the Old and the New Left, but also from a liberalist approach. In the article, "Democratic socialism, from a constitutional democratic point of view", (Xu, 2007) the liberalist, Xu Youyu, praises Xie Tao for advocating the introduction of a constitutional democracy, but in Xu Youyu's opinion, social democracy has not played any significant role in the development of constitutional democracy. Constitutional democracy on the contrary was a prerequisite for the emergence of social democracy, and the credit for this type of democracy must, in his opinion, be given to liberalism, which from the outset clearly has strengthened individual freedom and emphasized the need to control the state and make representatives accountable for their actions. The self-declared social democrat, Chen Ziming, expresses his conviction that there will be possibilities for future cooperation between the Chinese social democracy and the democratic-minded among the liberalists in an effort to establish a constitutional democracy in China (Chen, 2007). Zhang Qinde from the Old Left criticizes Xie Tao's "Democratic Socialism" (Zhang, 2007), which, in his view, would be tantamount to a complete restoration of capitalism with a "mixed economy" where private property is the basic form of ownership. Wang Shaoguang from the New Left (Wang, 2007) criticized Xie Tao for not distinguishing between "democratic socialism" and "social democracy". He agrees that socialism should be democratic and not autocratic, and democratic socialism is of course thus worth striving for, but Wang Shaoguang has a completely different understanding of democratic socialism. Xie Tao perceives social democracy as a capitalist society where raw capitalism is adjusted by social policy. For Wang Shaoguang, democratic socialism is primarily socialism, which requires common property, and not just redistribution of production. Social democracy guarantees the basic capitalist nature of society. A certain element of welfare policy is implemented, and in this way class differences are reduced but not eliminated, and the capitalist character of society based on exploitation of the workers will continue to exist. In Wang Shaoguang's view, Xie Tao does not understand the historical background of the emergence of social democracy in Northern Europe and liberal capitalism in

the United States, namely the existence of a rival communist system which made it impossible to maintain hard-nosed capitalism with the social consequences that this would lead to.

Mingpao Monthly's October issue brought an article reporting from a discussion meeting held in Hong Kong about the concept of democracy where the speakers were Gan Yang and Zhang Qinde both from The New Left and Xie Tao (*Mingpao Monthly,* 2007). Gan Yang found it difficult to understand Xie Tao, whose main views he summarizes as follows: Marxist orthodoxy is democratic socialism. After the end of the Cold War, Marxist orthodoxy - namely democratic socialism - was victorious all over the globe. Not only the whole of Europe became democratic socialist, but also the United States. The Communist Party of the Soviet Union and the Soviet Union as such fell apart because they did not follow the "road of democratic socialism." The Chinese Communist Party did not suffer the same fate as the Soviet and Eastern European countries, because Deng Xiaoping's reforms were in fact socialist reforms. It is, in Gan Yang's view (*Mingpao Monthly,* 2007), completely wrong to state that the Soviet Union fell because its leaders did not choose social democracy, since everyone knows that the slogan of Gorbachev's reforms were "democratic socialism" (social democracy), and at the same time Gan Yang emphasizes that Gorbachev's theory of "democratic socialism" was far more systematic and refined than Xie Tao's. The problem was that not even Gorbachev's "democratic socialism" could save the Soviet Union. To claim that Marxism is equal to Swedish social democracy, and that the U.S. political system is also democratic socialism, is, according to Gan Yang, something that no one can take seriously.

Zhang Qinde emphasizes that the core of the political reform should be a popular democracy, while elite democracy will destroy the grass-roots democracy. For democracy outside the party, Zhang Qinde emphasizes that the right to strike and the right of individuals to consult with the authorities should be reintroduced into the Constitution. As part of the development of the intra-party democracy, Zhang Qinde also suggests that the report for the 17th Party Congress should be sent out for discussion and commenting by all party members, and that all party members should report on their own and their family members' access to private companies and other sources of income.

Liu Yongji (Liu, 2007), who must also be counted as a member of the New Left, agrees with Zhang Qinde's critique of western "elite democracy" where the people elect representatives from the elite, and competition between the candidates largely has the form of a show in which participation of the people is limited to playing the role of spectators. In western democracies, the unequal distribution of resources also, in his opinion, necessarily implies that only the rich have the resources to stand as candidates, and also have the best opportunities to influence elections with their economic resources. According to Liu Yongji, American political science studies have

revealed that only between 3 and 10% of the voters have a real ideological or political belief, and the elective behavior of the rest is mainly affected by the sudden emergence of information and political individual cases. In a western market economy system, the economic power indirectly determines the outcome of elections through the mass media. In the United States there is a clear correlation between political candidates' financial resources and election results, and this system is not, according to Liu Yongji, a system which should be emulated in China.

Du Ping (Du, 2007), who also belongs to the New Left, criticizes the belief that globalization and foreign investment in China will lead to the democratization of the country. Foreign investors have no interest in the democratization of China. In a non-democratic China, the government will interfere in conflicts between the foreign company and its Chinese employees could to protect foreign capital, by deploying police or use other means of power. This means that foreign companies do not have to make compromises with their employees about wages and working conditions, and profit on their commitments to China will not be threatened by labor disputes. The problem is not, according to Du Ping, that China lacks capital; China lacks a democratic system that can act as a counterweight to the power of capital. "Democracy is not capital twin brother," writes You Ping, and, in his opinion, you cannot assume that capitalism will lead to political civilization and social progress.

The Chinese discussions up to the 17th Party Congress of democratization of the Chinese political system were not a discussion for or against the introduction of democracy. All the participating political groupings, from left to right, are supporters of democracy, but they do not agree on the democratic model or how democracy should be implemented.

Storm the Fortress

Only a few months after the 17th Party congress, a comprehensive 30-year plan for gradual implementation of political reforms in China leading towards realization of a modern Chinese socialist democracy was published.

The plan was presented in a 366-page report: *Storm the Fortress. A Research report on Reform of China's Political System after the 17 Party Congress* (Zhou, Wang and Wang (eds.), 2008), published in January 2008. The report was prepared by a group of researchers affiliated with the Party School of the Central Committee of the Communist Party of China in Beijing. It was actually already finished in October (2007) - immediately after the convening of the 17th Party Congress - but not publicly accessible on the Chinese book market until January 2008 - at first only within Communist Party communication channels, but later for sale in ordinary bookstores, and significant sections of the report were posted on the Communist Party's official website. The fact that the researchers behind the report are attached to the Communist Party

Central Party School may be seen as an indication that the plan was approved by the central leadership of the Communist Party, at least as a basis for discussion. One of the three editors of the report, Zhou Tianyong, stresses, in the first chapter of the report, that democratization of the political system should aim at limiting the political power of the Communist Party as a prerequisite for ensuring future political stability in China. Democratization should, according to the report, be phased in three stages, which together would extend more than 60 years. In the first phase, lasting from 1979 to 2001, the focus was primarily on economic reforms. In the second phase, which would cover the period from 2002 to 2020, China should establish a modern democratic political system and a comprehensive legal system. In the third phase, which is supposed to last from 2021 to 2040, the democratic and legal system will undergo further development. In Chapter 3 of the report, it is discussed how an effective system of balance and mutual control between power bodies of the political system may be established. As part of such a balance of power, it is proposed that the Chinese parliament, the National People's Congress, should have direct authority to draft the state budget and control government spending. Chapter 6 deals with the question of how the building of a harmonious society can benefit from popular and religious organizations and civil society development in general. The authors of the report also underline that there should be a law protecting journalists and putting an end to unconstitutional and unlawful interference in the media, in this way promoting real freedom of expression.

It is not the first time one of the leading political centers in China has presented plans on political reforms in the direction of democratization of the Chinese political system. In October 2005, the Information Office of the State Council (the Chinese government) published a White Paper called *Building a Political Democracy in China* (*Zhongguo de minzhu zhengzhi jianshe*, 2005). It is not surprising that the new plan originates from the Central Party School. As mentioned above, at the run-up to the Chinese Communist Party's 17th Congress, there was a lively debate in Chinese media on the democratization of Chinese society, and the initiative for this debate came from the magazine *Xuexi Shibao* (Study Journal) published by the Central Party School.

One might have expected that the 30-year plan would lead to a resumption of the debate on democratization in China, but in March 2008 riots broke out in Tibet and in May the Sichuan Province was hit by a massive earthquake. Later that same year, the Beijing Olympics attracted all media attention, so the democracy debate did not arise again until fall 2008, first with the publication of a book on democracy, "Four Lectures on Democracy", by New Leftist Wang Shaoguang, and then in December that same year with a dramatic initiative of the liberalist wing of the political spectrum, in form of the so-called "Charter 08", demanding democratic change in China.

Wang Shaoguang's "Four Lectures on Democracy" (Wang, 2008) is a comprehensive presentation of the history of democracy and a number of considerations about the democratic future of China. The contents of the book may be summarized in the following 4 points: First, Wang Shaoguang concludes from his analysis of the history of democracy that the bourgeois elite throughout history has seen democracy in its true essence as a "bad thing". "Good democracy" in a bourgeois sense is democracy where the people choose their masters. Second, he questions the perception prevalent in both China and the world in general of US democracy as the paragon of democracy. Actually, the democratic system in several European countries is much more democratic than US democracy. Third, he argues that because "choosing one's master" is not real democracy, representative democracy will not necessarily improve the living conditions of the broad population. Cross-national and historical comparative studies have shown that there is no necessary relationship between actually-existing democratic systems and economic growth, social justice, or human welfare. Fourth, in political systems where the population "chooses its masters" the vast majority of the population is reduced to participators in regular elections which are actually mainly shows, where people with resources are able to use these resources to gain political influence.

On December 10, 2008, on the 60th anniversary of the UN Declaration on Human Rights, the dissidents, Liu Xiaobo and Xu Wenli, published a manifesto called "Charter 08". The name was obviously chosen to invoke memories of "Charter 77", in which a number of intellectuals in 1977 in the Czechoslovakia of that time demanded human rights and democracy in the Czech communist one-party state. The Chinese "Charter 08" was published on the internet and signed by 300 prominent Chinese, and in a short time, the number of signatures rose to more than 7000. "Charter 08" espouses a number of basic principles: freedom, human rights, equality, republicanism, democracy and constitutional government. Practical changes demanded by the manifesto included: a new constitution, separation of powers, democratic legislation, independent judiciary, public control of public servants, guarantee of human rights, democratic elections, equal rights for urban and rural areas, the right to form associations, freedom of assembly, freedom of expression, freedom of religion, civic education, protection of private property, reform of the financial system and the tax system, social security, environmental protection, a federal republic, redress to all victims of political persecution. These requirements provoked the Chinese authorities so severely that several of the initiators were picked up for questioning by the police, and the most prominent of its authors, Liu Xiaobo, was arrested and later sentenced to 11 years in prison.

The manifesto was supported by a number of liberalist intellectuals, e.g. Xu Youyu, but none of these received any form of punishment comparable to the sentencing of Liu Xiaobo.

Many of the demands in the manifesto coincide with the objectives outlined in *Storm The Fortress* from the Communist Party's Central Party School in Beijing. It is therefore still somewhat of a mystery why exactly Liu Xiaobo was to be punished so severely. A few years later, Liu Xiaobo, to the great annoyance of the Chinese leadership, received the Nobel Peace Prize.

Discussions Leading up to the 18th Party Congress

During the year leading up to the 18th Party Congress, 2012, the political scene in China became totally dominated by the Bo Xilai scandal. Bo Xilai, the party secretary of Chongqing, was arrested and accused of a number of crimes. I am not going to describe this affair in details here. However, the Bo Xilai affair had a direct impact on the landscape of political discussions in China. Intellectuals from the New Left were accused of having close relations to Bo Xilai and even for having received financial support for their activities in the form of black money. As a consequence the most important website of the New Left, "Wuyouxiang" (Utopia) alongside many other minor websites and blogs were closed and investigated by the authorities. Of course this was a major setback for the left wing in Chinese politics so close to the 18th Party Congress, which was in fact postponed for a few weeks because of the Bo Xilai incident. The crackdown on the left wing, however, did not prevent two of its most prominent members, Wang Shaoguang and Han Yuhai, from publishing rather radical articles about China's democratic development.

In the article "Reflections on Democratic Systems" (Wang, 2012) Wang Shaoguang discusses alternatives to a representative democracy based on general elections which he describes as democracy where "the people chooses its masters". In order to establish a system where "the people are in charge to make decisions" he has four suggestions, which all aim at "expanding the political participation of the broad masses of the people". First, he proposes to replace elections with a lottery system, thereby strengthening public participation. This should eliminate the problems of differences in resources leading to differences in political influence. The second proposal is to strengthen consultations, and increasing the depth of political participation by deliberative or consultative democracy. According to Wang Shaoguang consultations and lotteries can be merged together. Wang Shaoguang's third proposal is to increase public participation through information technology, i.e. "electronic democracy" and public dissemination of information through electronic means. Fourth, in full accordance with the ideas by Robert A. Dahl presented above, Wang Shaoguang proposes to extend democracy "beyond the realm of politics into more areas of social life, particularly the economic sphere." (Wang, 2012)

In the article "Constitutional Rule and the Proletarian State" (Han, 2012), Han Yuhai presents his ideas about what he calls "proletarian constitutionalism". Whereas he does not consider the bourgeois elite in China as capable of creating a constitutional democracy, he perceives the creation of a proletarian constitutionalism as a precondition for establishing a true democracy. According to Han Yuhai, China's capitalist class can be divided into two fractions: on one hand the large bureaucratic and large comprador capitalist class intimately related to the regime, on the other, the private capitalist class engaged in private business. These two fractions of the capitalist class will never be able to establish the political unity necessary for establishing a bourgeois constitutional democracy, which, he fears, would degenerate into a military dictatorship. The proletariat, on the other hand, needs a constitutional rule, and Han Yuhai argues for this as follows:

> The really-existing proletarian states have for the most part been established by a professional revolutionary organization that represents a relatively weak proletariat, leading the peasantry and other laboring masses (and taking them as their main force) in a revolution. This model of revolution is determined by the fact that these countries have not industrialized, and therefore the proletariat is relatively weak.
> Political power in proletarian states is monopolized by the organization of professional revolutionaries, in what can be called a tyrannical proletarian role. ....as time passes, due to the lack of effective supervision by the proletariat and laborers, most of the professional revolutionaries are unavoidably corrupted by bourgeois rights, and end up transforming into a bureaucratic special interest group that rides on the backs of the masses. Further, the proletarian state changes into a hideous totalitarian state controlled by the new bourgeoisie.
> .... the political power of the proletariat class must always by supervised and controlled by the class itself, thereby ensuring that its operation will be in the common interest of the class. Furthermore, the political power of the state must be enjoyed by the entire class, and not monopolized in a particular fraction. In other words, the proletariat must have its own 'constitutionalism!'
> ....
> The policy of 'constitutionalism' of course is in the service of the long-term and stable political power of the proletariat, but it also takes as its aims continual proletarian revolution, the gradual dissolution of the state, and the eradication of class. These struggles can only continue under the framework of 'constitutionalism'. (Ibid.)

Political Reforms and Democratic Perspectives after the 18th Party Congress
After the conclusion of the 18th Party Congress it has been discussed whether the new leadership of the Communist Party of China would implement reforms, either of an economic or a political character. It seems that the new leaders are keen on further reforming the economy, while

political reforms may be limited to crackdowns on corruption. The much published "China Dream" seems not to include serious political reforms, while "Lionomics"[1] seems to be the new catchword in China.

Maybe as a reaction to this perspective, a group of more than 70 Chinese intellectuals signed an open letter circulated on the internet by the end of 2012, calling for political reforms (*chinaworker.info*, 2013).

The open letter, "Proposal for a Consensus on Reform" warns of the dangers of not implementing political reforms. "If reforms of the system urgently needed by Chinese society keep being frustrated and stagnate," it states, "then official corruption and dissatisfaction in society will boil up to a crisis point and China will once again miss the opportunity for peaceful reform, and slip into the turbulence and chaos of violent revolution." The open letter does not demand the end of one-party rule, but instead advocates top-down and gradual "reform", including calls for a free press and independent judiciary, very much in accordance with the perspectives outlined in 2008 by *Storm the Fortress*.

The demands from this open letter were echoed in the liberal magazine, *Yanhuang Chunqiu,* which in an editorial called for the protection of China's constitution, and consequently was temporarily closed down on January 4 by propaganda officials in Beijing.

Soon after this event, the Guangdong based liberal newspaper *Southern Weekly* had its editorial rewritten by provincial propaganda boss Tuo Zhen, because it called for the realization of the "dream of constitutionalism in China". This led to strikes among the paper's journalists and massive public demonstrations on this crackdown by the authorities on freedom of the press.

It thus seems difficult to determine in what direction the Chinese leadership wants the political system in China to develop. Among public intellectuals and media workers the debate on the political future of China is heated, and lately some surveys on the public opinion on democracy give us some indications of what the broad population wants of the development.

What Kind of Democracy Do the Chinese Want?
At the time of the CCP's 18th Congress in November the results of a survey were published in the *Global Times*, a regime mouthpiece, showing that 81 % of respondents supported political reform.

At the beginning of May 2013, the results of a survey conducted by the Chinese Academy of Social Sciences were published in a report called "What kind of Democracy Do Chinese Want" (Zhang, 2013c).

The survey was undertaken by social scientist Zhang Mingshu and was a follow-up in a similar survey also undertaken by Zhang Mingshu in 1988 and resulting in the report "The Political Chinese" (Zhongguo Zhengzhiren) published in 1994.

The survey in 2012 was conducted among 1,750 adults in 4 towns (no interviews were undertaken in rural areas). The respondents were asked a number of questions about their political attitudes. Concerning the general political attitudes of the respondents the conclusion made by the report is: 38.1 % of the respondents are leaning to the left and critical of overall individualism. 8 % are leaning to the right, supporting more individual freedoms and a smaller government, and were more critical towards the Communist Party's legacy. The rest could be called centrists, i.e. neither left nor right. For 15.3 % of those surveyed, the idea of democracy meant regular elections and selecting national leaders through multiparty competition. About 67 % said they had a positive attitude towards participating in politics. People beyond their 40s and 50s tended to lean more to the left than younger people, who tended to be at the center and the right. More educated people also tended to be more at the center and the right. It thus seems from the report that only a small minority, 15.3 % of the respondents, are in favor of liberal democracy (Zhang, 2013b).

Actually, this result stands in sharp contrast to a survey performed by PewResearch, where the respondents among other questions also were asked about their attitude towards American democracy (PewResearch, 2012). Between March 18 and April 15, 2012, PewResearch interviewed 3,177 Chinese respondents. Roughly half (52%) said they like American ideas about democracy; just 29% said they dislike these ideas. About seven-in-ten Chinese in the higher-income category have a positive opinion about American democratic ideals.

But Many Like American Ideas about Democracy

	American ideas about democracy		
	Like	**Dislike**	**DK**
	%	%	%
Total	52	29	18
Age			
18-29	59	28	13
30-49	55	29	16
50+	40	31	29
Education			
Some college +	65	24	11
High school or less	50	30	19
Income			
High	72	20	8
Middle	56	31	13
Low	45	33	22
Urbanity			
Urban	60	27	13
Rural	43	33	24

PEW RESEARCH CENTER Q55.

Source: (PewResearch Global Attitudes Project, 2012: 4)

The outspoken difference between the results of these two surveys may be interpreted and explained in many different ways, something I am not going to do in this article. However, the fact that it is not possible to get a clear picture of attitudes to democracy in the Chinese population when comparing the results of these two surveys is disappointing.

Conclusion

The intellectual debates in China on the democratic development of China's political system and the plans for political reforms drafted by Chinese think-tanks, like the Central Party School, seem to outline a number of differences in the perceptions of what direction this development should follow. All participants seem to agree that it is necessary to change the political system in a more democratic direction. There is also a general agreement that constitutionalism in some form ought to be the basis of this democratization, i.e. the political and social rights included in the Chinese constitution should be fully respected and form the basis of a future democratic China. On the other hand the debates also show that the interpretation of the concept constitutionalism differs among the politico-ideological groups. The liberal side of the spectrum seems to be in favor of a *liberal democracy* in the form of a constitutional democracy like the American political system, and thus not like the different European varieties of liberal democracy, whose institutional arrangements differ distinctively from the American model. Intellectuals on the left side of the

specter emphasize that constitutionalism may only be realized as what is called a "proletarian constitutionalism", with characteristics widely different from American constitutionalism. Furthermore they outline a variety of possible alternative institutional forms in the future Chinese democracy, i.e. economic democracy, lottery instead of elections, development of deliberative and consultative forms of democratic participation, etc.

Although Chinese intellectuals form a minority in society, these intellectual debates are sure to have influence on both public opinion and opinions and attitudes among political decision makers inside the Chinese Communist Party. Further investigations will have to establish to what degree the perceptions of China's political future and democratization are mirrored in the political attitudes among the Chinese in general, and how they are mirrored inside the confines of political decision making in the Chinese Communist Party. Only then will it be possible to answer the questions: "What kind of democracy do the Chinese want?" and "What kind of democracy are the Chinese going to get?"

Notes

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[1] Lionomics: the economic ideas presented by the new Chinese Prime Minister, Li Keqiang, after the 18th National Congress of the Communist Party of China.

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Nationalist Netizens in China: Online Historical Memory

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Abstract: The Chinese government is currently performing a delicate act of balance: attempting to foster a "healthy" nationalism among the young generation in China while, at the same time, having to deal with the at times rather loud and uncompromising expression of this nationalism online. By examining examples of online debates on issues of national interest; in this case the Spratly Islands and the animosity between a Chinese and a Japanese child, this article discusses the use of historical imagery in online historical debates and demonstrates a linkage between the version of Chinese history promulgated in the so-called patriotic education campaign and the rhetoric used online. Even though the viewpoints expressed in the two debates vary widely, the central theme of how to deal with China's past plays a strong role in both debates. I argue that though the Chinese government has been rather successful in promoting this reliance on a certain historical perspective to understand present day China's place in the world, the online nationalist expressions take on a life of their own partly due to China's very special internet culture.

Introduction

> We insist that patriotism should be expressed rationally and in line with the law. We do not agree with irrational actions that violate laws and regulations. The Chinese people will convert full-hearted patriotic zeal into concrete actions to do their own work well and help maintain the stability of reforms and development.
> China's Foreign Ministry, quoted in *People's Daily* October 25, 2010[1]

In 2008, the world was confronted with a new group of Chinese citizens: the very vocal young nationalist netizens, protesting against western media coverage of the Lhasa uprisings and against what they called the denigration of the Beijing Olympics when the torch relay was disturbed in France. Online protests spilled over into real life, as demonstrations against the French

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supermarket chain Carrefour and confrontations between patriotic Chinese and Tibetan protesters along the torch relay route in Europe turned increasingly ugly. It is unclear what would have happened if the confrontations had continued to escalate; but the Wenchuan earthquake in May 2008 changed the focus of international media and Chinese netizens alike.

In the aftermath of the earthquake, the patriotic wave took a new direction. In a country where any large scale public gathering is viewed with suspicion by the state, the outpourings of public grief following the earthquake were an unusual phenomenon. China was overflowing with flags at the time – they were sold on every street corner in preparation for the Olympics – and as people looked for ways to express their sympathy with the disaster victims, the flag as a symbol of national unity became a focal point in the manifestations of shared grief. Where the Chinese flag had been waved by angry young men protesting against France and CNN a few weeks earlier, it was now held by crying students during memorial ceremonies at their universities or waved by quite ordinary citizens in Tiananmen Square during the nationwide three minutes of mourning a week after the earthquake. Similarly, people spontaneously started cheering *Go China, Go Sichuan* (*Zhongguo jiayou, Sichuan jiayou*) after the three minutes came to an end, turning a slogan used for sports events into a public expression of sympathy and national unity.

As the events of 2008 demonstrate, nationalism in China is a multi-faceted phenomenon that keeps evolving as China's relations with the rest of the world changes. For the last century, the development of a "healthy" nationalism has been seen as one of the most important tasks for the Chinese government, but the interpretation of what constitutes a healthy nationalism has been subject to change. At the beginning of the twentieth century, Sun Yatsen included nationalism among his three principles of the people (Mitter, 2004) and stressed the importance of turning the fragmented Chinese population into a unified nation, while Mao Zedong argued that it was possible to be a patriot and an internationalist at the same time in the struggle for national liberation (Mao 1938). In the early years of the People's Republic of China, emphasis was placed on the symbolic victories of revolutionary heroes (Wang, 2012). Today, Chinese school children attend patriotic education classes in national studies emphasizing China's long history and the country's suffering at the hands of imperial powers during the "Hundred Years of Humiliation". While these classes were supremely unpopular in Hong Kong and actually had to be taken of the curriculum, studies suggest that they may have an effect on mainland children, who express

higher level of loyalty to and pride in the Chinese nation than their parents' generation (Du, 2010).

In this article, I will examine the Chinese government's delicate act of balance: fostering a "healthy" nationalism among young Chinese while, at the same time, ensuring that the expression of this nationalism is kept within reasonable bounds to avoid an increasing public pressure towards a more assertive foreign policy and the consequent damage to China's international image. As the quote at the beginning of this paper shows, this is by no means an easy task as nationalism has become a double-edged sword in China. On the one hand, the nationalist fervor plays an important role in legitimizing CCP (Chinese Communist Party) rule in China and filling the ideological vacuum in today's increasingly market-oriented society. On the other hand, the quick reactions and overwhelming anger of the young nationalists limit the Chinese government's space for maneuvering in foreign policy making. I argue that this challenge is partly caused by the preferred form of communication for China's young nationalists: the internet. While the Chinese government's control over the internet is very efficient (see for instance Zhu et al., 2013), patriotic anger has remained one of the "safe" topics where the so-called *angry youth* (*Fenqing*) have been allowed to vent their feelings. Also, the role of the internet as a free space where Chinese youth can develop an "elastic self" (Wang, 2014) and the divide between real life personality and online persona means that the version of patriotism/nationalism made public on the internet is quite radical. As long as the protests remain confined to the internet the consequences are limited, but as soon as the protests move into real life, in the form of demonstrations, boycotts, and damage to Japanese property, the organizational capability of the online forums serve to increase the scope of the incidents thereby pressuring the Chinese government into a more assertive foreign policy and the consequences can become very real indeed.

I will begin by establishing a theoretical framework for the phenomenon called nationalism and discussing the distinction between patriotism and nationalism – which are perceived as very different phenomena in China. I will then examine the sources and expression of today's nationalism through a discussion of two very different internet debates on nationalist issues; one dealing with the disputed Spratly Islands and one with a misbehaving Chinese child, which will provide an intimation of what the very special shape of the Chinese internet landscape

means for the current impact and future prospects for the desired development of a "healthy" nationalism among China's young generation.

Ancient Nation – Modern Nationalism

Chinese nationalism has been followed with great interest by western and Chinese researchers alike long before the events of 2008 brought the new wave of cyber-nationalism to the attention of mainstream Western media. China's long and winding path to modernity and nation-state status is reflected in the many faces of modern Chinese nationalism. As Lucian Pye once claimed, China is a "civilization-state, pretending to be a [nation-]state" (Pye, 1992). This discrepancy is caused by modern Chinese history, where the multicultural Qing Empire formed the basis for the development of a modern Chinese nation-state, thereby creating a difficult task for later rulers of China, who faced the challenge of transforming a civilization into a unified nation. After the 1949 revolution, the CCP created a political view of the nation that attempted to define China as a unified but multi-ethnic nation. Chinese history was presented as the history of the Chinese Nation (*Zhonghua Minzu*) originating in the Yellow River Basin and retaining its unique cultural characteristics throughout China's long history while incorporating various ethnic groups. This version of Chinese history serves to present a picture of a multiethnic yet culturally unified nation, held together by loyalty to the unique Chinese culture since time immemorial.

As Benedict Anderson's classic definition of a nation reminds us, a nation is under all circumstances constructed by its members in an era where modern mass media and public political participation created the opportunity for sharing a national identity:

> …it [the nation] is an imagined political community – and imagined as both inherently limited and sovereign. (Anderson, 1991: 6)

Anderson then goes on to define nationalism as a cultural object along the lines of gender or religion (Anderson, 1983). However, other definitions are perhaps more to the point, when discussing the current wave of popular nationalism in China. For instance, Ernest Gellner considers nationalism a political ideology that holds that "ethnic boundaries should not cut across political ones" (Gellner, 1996: 1), while Anthony D. Smith defines nationalism as "an ideological movement aiming to attain or maintain autonomy, unity and identity for a social group which is

deemed to constitute a nation" (Smith, 1991: 51). These two definitions of nationalism actually points to some of the difficulties in creating the desired "healthy" nationalism in China. Gellner stresses the importance of matching political and ethnic boundaries, while Smith does not speak of ethnic boundaries but of a "group deemed to constitute a nation". Considering China's long history as a multi-ethnic empire, where the precise limitation of the empire was not defined so much by national boundaries but rather by the extent of the emperor's power, which would ideally encompass "all under heaven" (*tianxia*), helps understand why China's transition to a modern nation-state has been long and tortuous. The definitions can also help understand some of the difficulties encountered in generating a healthy patriotism/nationalism in China as the task of determining which group is actually "deemed to constitute a nation", and challenges to China's territorial claims are some of the issues that spark the patriotic outbursts in China today.

As described above the official Chinese definition of the Chinese nation (or *Zhonghua minzu*) is inclusive and broad enough to contain the dominant Han majority as well as the minority nationalities. Care is taken in China to include colorfully dressed minorities in official ceremonies, as for instance the children representing every ethnic group in China carrying the national flag during the opening ceremony of the Olympic Games in 2008 – though in this case it was later revealed that the colorfully dressed children actually belonged to the Han majority (Spencer 2008). Some studies also show a high degree of loyalty to the Chinese nation-state among minority youngsters. However, loyalty to China is combined with pride in their own minority identity, so that an ethic identity as a Tibetan or a Uighur is combined with a national identity as Chinese for these students (Tang and He, 2010). Despite the relatively high degree of loyalty to China, ethnic separatism will always be a risk in a multi-ethnic state and the present version of nationalism promulgated through school curricula is intended to promote national unity, not ethnic identity:

> We are the most populous country in the world. The population of our country constitutes a fifth of the world's population. For various reasons, there are also very many Chinese persons residing abroad and becoming foreign citizens. No matter where you go in the world you will meet yellow-skinned, dark-haired, dark eyed "descendants of the yellow emperor". Within our great territory in the large national family, there are 56 fraternal ethnic groups living together in harmony. We are the only country in the world, where so many ethnic groups constitute one country. (Su, 1994: 31. My translation)

This textbook definition of the members of the Chinese nation in terms of kinship (*descendants* of the Yellow Emperor, *fraternal* ethnic groups, national *family*), but also physical characteristics (skin, hair and eye color) is an example of how the challenge of integrating multiple ethnicities in one nation is met in school textbooks. The ethnic variety found within China's borders and the disputes surrounding these borders, all point to the difficulty in translating the Western concept of nationalism into Chinese where the term patriotism (*aiguo zhuyi*) is much more commonly used.

The distinction between patriotism and nationalism is somewhat contested. While scholars of Western nationalism often do not distinguish between the two, or when they do tend to conclude that "we" are patriots while "the others" are nationalist zealots (Billig, 1995), in a Chinese context it is often felt necessary to distinguish, not least because of the very different connotations of the two Chinese words *aiguo zhuyi* (patriotism or literally love-country-ism) and *minzu zhuyi* (nationalism or ethic-group –ism). The term *minzu zhuyi* was used by Sun Yatsen at the beginning of the twentieth century as one of his three principles of the people at a time when the ethnically Chinese population had just overthrown the foreign dynasty, the Manchus. While he did stress the importance of creating a united Chinese nation from the five major nationalities (Han, Mongol, Manchu, Tibetans and Muslims), the term still tends to emphasize the ethnic component of nationalism. After the Revolution in 1949, the CCP changed the focus of the nationalist rhetoric to direct it against foreign imperialism rather than the Manchus. Today, *minzu zhuy*i is often used to refer to historical versions of nationalism or to ethnic nationalisms in other countries, while *aiguo zhuyi* is consistently used to describe contemporary Chinese nationalism. While about 92 percent of the Chinese population officially belongs to the Han majority, the remaining 8 percent ethnic minorities live in some of the more contested areas of China (Tibet, Xinjiang, etc.), and any ideology that stresses the ethnic component of nationalism would be dangerous to the unity of China.

In a study of patriotism/nationalism amongst Chinese youth, Gries et al. distinguish between the two concepts defining patriotism as "Love of or attachment to country" and nationalism as "the belief in the superiority of one's country over other countries" (Gries et al., 2011:2) and proceed to document an empirical difference between the two concepts using the results of surveys among university students in China and the US. Whereas nationalism and

patriotism cannot be empirically distinguished in the US in their study, in China it is possible to distinguish between "patriots" (who are proud of being Chinese, but do not necessarily support their country if they do not agree with a concrete policy) and "nationalists" (who finds that their own country is better than the rest of the world and that the surrounding world would be a better place if it would only learn from China). While their study certainly documents interesting varieties in Chinese nationalism, there is nothing in the definitions of nationalism discussed above that makes such a distinction necessary. Both the patriotism and nationalism from their survey results can be encompassed by the broader definition of nationalism as a political movement stressing the unity and sovereignty of the nation. Distinguishing between a relatively rational patriotism and an arrogant nationalism resembles the Chinese government's distinction between healthy and unhealthy forms of patriotism, while I argue that it is more meaningful to see this as varieties of the same phenomenon and not two separate -isms (for a further discussion of the distinction between nationalism and patriotism, please see Bislev and Li, 2014). For the purposes of this paper, I will continue to refer to nationalism without attempting to distinguish between patriotism and nationalism while all the same keeping in mind that the phenomenon I am describing here would often be referred to as patriotism, not nationalism, in Chinese.

Why Does Everybody Bully China? Historical Memory and Nationalism in China
The quest for a healthy version of nationalism is not only a government endeavor in China. In the essay "Let China Submit to My Mood", Wu Jiaxiang (2011) observes that current popular nationalism in China is very dependent on historical memory, and especially the memory of past humiliations in its imagery and ideological content. He distinguishes between a healthy nationalism oriented towards the future and exemplified by the types of nationalism promoted by for instance Sun Yatsen and Gandhi, and an unhealthy backward-looking nationalism represented by Hitler and Mussolini that is dependent on historical imagery and visions of former glory. Wu attributes this backward-looking version of nationalism to the popular nationalism expressed in the books *China Can Say No* (Song et al., 1996) and more recently *China is Unhappy* (Song et al., 2009). However, as Christopher Hughes argues, it is impossible to separate state and popular nationalism in China completely, as the Chinese state's reliance on patriotic feelings to generate social cohesion plays an important role in engendering popular nationalism (Hughes, 2006).

The reliance on historical memory to incite patriotic feelings is present in the so-called *patriotic education campaign*. In the aftermath of the student demonstrations in 1989, the Chinese government instituted this campaign in order to instill proper values in the students who had been fascinated by Western democratic ideals. Since 1991, Chinese students have been presented with patriotic education in school curriculums (sometimes known as *national studies* or *Guoxue*). The campaign has been called the largest mass campaign in the history of the PRC, but what distinguishes this campaign from earlier mass campaigns is its sophistication in terms of the involvement of many different media platforms and the fact that the campaign has now been in effect for more than 20 years despite leadership changes (Wang, 2012). The campaign consists of the rewriting of history books to emphasize both former glory and the humiliations suffered at the hands of western powers, of a long list of so-called *patriotic education bases* (*aiguo zhuyi jiaoyu di*) – historical sites deemed to be important to an understanding of China's history, as well as the designation of various cultural products (movies, books and songs) as recommended and patriotic (Wang, 2012). Looking at the original list of patriotic education bases which only included 100 locations, it becomes clear where the intended focus lies; only 19 sites promotes the glories of China's imperial history, while 40 sites are dedicated to wars with the outside world (Baike Baidu, 2013).

The combination of pride in former imperial glory and a focus on humiliations suffered at the hands of foreign countries during the transition from empire to nation state has led to the description of China as a "Pessoptimist nation" (Callahan, 2010) or as a nation suffering from a superiority and an inferiority complex at the same time:

> The unshakable idea that China remains a great civilization fuels a comfortable superiority complex and makes the vast majority of Chinese optimists, for they must believe that it is only an anomaly that things are as bad as they currently are, and in the future greatness will inevitably return. (Pye, 1990:74)

This dichotomy between a sense of the rightful place of China as a great nation, and past humiliations that have not yet been appropriately settled is also very apparent in the version of Chinese nationalism that is currently found on various online social networks.

Online Nationalism: China Bullied and China Bullying

In the wake of the 1999 bombing of the Chinese embassy in Belgrade, a forum called Strong Nation Forum (*Qiangguo Luntan*) was created on the People's Net, to allow Chinese citizens to express their outrage at the incident (Wallis, 2011). The establishment of this forum, which is currently still active, signaled the beginning of the phenomenon known as cyber-nationalism in China today. Wu Xu defines cyber-nationalism as

> a non-government sponsored ideology and movement that has originated, existed and developed in China's online sphere over the past decade. It is a natural extension from China's century-long nationalism movement, but it is different from both the Chinese Communist Party's (CCP) official version of patriotism, and the traditional Chinese nationalism movement. (Wu, 2007: 2)

As Wu points out, the version of nationalism found on the internet in China is by no means a copy of the state nationalism promoted in the patriotic education campaign and in official media.

Figure 1: Patient comments

"China is strong but has plenty of formidable foes. The army must be very strong otherwise we will come to grief."

"There will be a time when the whole world will know that China cannot be bullied, and that the Chinese people will not be pushed around. But the time is not ripe yet."

"Forget the buoy, cool your tempers and develop the economy. Wars take capital"

However, there are important areas where the two versions of nationalism overlap, and where the imagery of the version of nationalism promulgated by the Chinese state leads to the violent outburst associated with online nationalism, as can be seen in the discussion following a small news item posted on Weibo[2]. This news story retold a story from Vietnamese media regarding the Spratly Islands, which is at the center of a

territorial dispute between China, Vietnam, Malaysia as well as other Southeast Asian nations. It was published on February 8, 2014 and referred to Vietnamese media's reporting of an incident where the Vietnamese navy had spotted a buoy dropped by a Chinese navy vessel close to the Spratly Islands and then proceeded to remove it as soon as possible. The story was told in a completely neutral tone, was not confirmed by official Chinese sources, and no mention was made of any attempts to replace the buoy or political repercussions. Within the next couple of

days, the story elicited more than one hundred comments, many of them focusing on the humiliation of being "bullied" by such a small country. However, the comments differed in the extent to which they used this story to criticize China's current regime, ranging from a small minority of patient or understanding comments (represented in Figure 1[3]) over sarcastic and angry comments containing no overt criticism (Figure 2), to comments directing their criticism directly at the lack of action from the Chinese leadership (Figure 3).[4] The comments also range from urging direct aggression, as in the one simply saying "Hit [them]" (*da*), to the resigned "Strong nation? Ha, Ha." A general trend in the discussion is the repeated use of the word "to bully" (*qifu*) and the general feeling that China is always mistreated in international affairs. There is little mention of concrete historical events, but a general sense of historical grievances, where embarrassment figures prominently. While there is a marked difference in the level of aggression or resignation in the comments

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Figure 2: Disillusioned comments

"Why does everybody come to bully China?"

"Why is our motherland always bullied by small slave nations – countrymen unite!"

"China is so weak and surrounded by enemies on all sides, anybody will dare to bully [China], even Vietnam that tiny rotten egg is bullying [China]"

"Where do these small countries get the nerve to bully present day China?"

"Even the Vietnamese come to bully us, I'm speechless"

"This is too fucking embarrassing"

"Hit [them]"

"Strong nation? Ha Ha"

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and in the extent to which the netizens are actually prepared to declare immediate war on Vietnam (or for that matter the current Chinese leadership), there were no comments in this debate questioning China's right to the Spratly Islands, the relevance of the debate, or even the significance of this relatively minor event. Even the comments labeled patient are moderate only to the extent that they urge patience and say that the time is not ripe yet for action.

There is always a methodological challenge involved in using randomly selected internet debates as empirical material for an analysis of the nationalist attitudes of China's young generation. We do not know who are behind the posts shown here, and it is difficult to claim representativeness of such a small sample as the one used here. Even large scale online surveys do not necessarily paint a comprehensive picture of the attitudes towards patriotism found online

in China as the survey participants are often not representative of the general public. For instance *Global Times* did a survey with more than 8000 respondents in the fall of 2013, showing that 85.4% of the respondents considered themselves patriotic with the remaining 14.6 % either not considering themselves patriotic or being undecided (*Global Times*, 2013). However, a closer look at the characteristics of the respondents show us that they are predominantly (92.9 %) male and also older than the average internet user in China (45.9 % of the respondents in the *Global Times* survey are above 40 years of age, while only 18 % of the Chinese internet users are more than 40 years old (CINIC, 2013). Also, the *Global Times* is known as a gathering place for China's cyber-nationalists (Weatherley and Rosen, 2013), so the survey can only be used to confirm that readers of the *Global Times* do indeed consider themselves patriots – not to say anything about the general attitudes of Chinese netizens.

Figure 3: Critical comments

"The nation is surrounded by people bullying it, and all that can be said is: We strongly condemn it"

"Fuck, we are bullied to this extent and still do not dare to hit back"

"Cast it out again! Send the navy to drop another buoy. Let's see if they still need a lesson. We do not fight little Japan, we do not fight the Philippines, we do not fight Vietnam, Whom do we dare to fight?"

"If the old generation of leaders was still here, would those fucking small countries dare to encroach on our territory, look at the present day where everyone encroaches on us, oh poor Chinese people"

"I can only say that the only thing the present rulers dare to hit is their own ears"

"Even though I do not hope that there will be a war this year, but I would like to see if the party is really changing. When push comes to shove, it is not what you say, but what you do that counts!"

The scope of the conclusions we can draw from the debate above is therefore limited. What the comments do show us is that while there is a discussion of the topic, the discussion is mostly concerned with two issues. First of all, the overwhelming sense of grievance felt by the participants in the debate that to a large extent is based on the sense of the loss of face suffered by the large nation China, when smaller nations act in a disrespectful manner. Secondly, the feeling that the Chinese government could and should do more to right these grievances is pervasive. It is interesting that there is no discussion of the importance of the event, nor a single comment saying that this is irrelevant, or questioning the veracity of the story as it is not confirmed by official

sources. The actual buoy episode is hardly mentioned, but is simply seen as a continuation of a long historical trend that will only be righted once China is strong enough to "stand up".

It is very important to point out that the type of comments seen above only expresses the more virulent version of cyber-nationalism and that other topics will spark a different type of debate. For example, a Chinese family shared the story of a visit by Japanese friends on *Douban*, a Chinese social network service.[5] The Japanese family had a young child of the same age as the son of the Chinese hosts. Throughout the visit, the Chinese boy bullied the Japanese child and it all came to a head when the Japanese boy showed the parents how his Chinese playmate had taught him to say "I'm a little Jap who deserves to die, I apologize to all Chinese" (wo shi gai si de xiao Riben, wo duibuqi Zhongguoren) in Chinese. While there is no way of testing the veracity of the story itself, what is interesting here is not so much the narrative as such – even though it can be seen as an example of how a seemingly trivial incident of bullying is turned into a question of national character and patriotism. What is more relevant here are the comments left by anonymous netizens. Below you will find translations of a selection of comments:[6]

1. "[I] Read it...educational issues really deserve to be considered deeply"

2. "Every time I see incidents that incite nationalist hatred, my heart goes cold. We cannot forget past humiliations, but neither can we pass on the seeds of hatred through eternity. Making use of historical hatred to hurt innocent people is idiotic."

3. "When looking at Chinese patriotism I always laugh. I also love my country, but not in this manner. How can the country be anything but foolish when burdened with an old organizational system and a conventional mass education system."

4. "The educational system is the biggest difference between us and developed nations and also the most difficult thing to change."

5. "To those of you who loot stores and steal electronic goods while holding high the banner of resisting Japan. Do your own thing, but do not corrupt our children."

6. "[....] I agree with the other comments - what is called "universal love" is definitely not forgetting national humiliation, which would be a weakness, while this is true self-strengthening."

7. "A small child does not develop this type of hatred on its own; it can be attributed to the influence of the surroundings as well as the teaching received in school and at home."

8. "I salute this Chinese child, he is a shining example. Maybe Japanese children are well-educated and well-behaved, but this is not what is important. What is important is what is right and what is wrong. Japanese aggression towards China was wrong, no matter how kind Japanese people and Japanese children are, this will always be wrong [….]."

9. "(Replying to the comment above) The Japanese did do many terrible things, but these are old scores from several decades ago. War is in itself merciless [.....]"

10. "When our revolutionary forefathers gave their flesh and blood to resist foreign aggression it was done in order to fight for a peaceful future, not to have their descendants infused with hatred from birth. They definitely hoped that their sons and grandsons would grow up in a stable and healthy society, receiving the best education, to let China grow strong enough to withstand violations [.....]."

These comments illustrate a completely different type of debate than the Spratly Islands debate discussed above. The two most important issues become the Chinese educational system (no. 1, 3, 4 ,7 & 10) specifically the history education and the distinction between forgetting past humiliation (which is also seen as a mistake in this debate) and learning to live with it through a realization that the humiliations are a thing of the past and that the Japanese child described in this story is definitely not responsible for the sins of his ancestors (no. 2, 6, 9 & 10). Only after several comments do we see a contribution commending the Chinese child and vilifying the Japanese, and the following comments all disagree with that position.

The debates discussed above have been selected in order to demonstrate the very different sort of reactions you can find from Chinese netizens on topics of nationalist significance. Even though the representativeness of debates such as the ones discussed above can be questioned, studying online nationalist commentaries is important for several reasons. First of all, the internet has rapidly become the de facto public sphere in China, the place to turn to in order to get an impression of public opinion (Weatherley and Rosen, 2013). We have no way of ensuring to what extent these debates express the general opinion among larger parts of the Chinese population, not least because of the specific shape of Chinese internet culture, where netizens often play with multiple identities and develop an "elastic self" to participate in what has been called an "online carnival" (Tricia Wang, 2013, Cockain, 2012). As they deliberately play with the constraints surrounding their real life identity, the expression of radical nationalist viewpoints

online may only be part of their internet persona and not viewpoints that they would actually defend offline. But even though the viewpoints are at least expressed in a stronger fashion online than they would be offline, they are highly visible and therefore play an important role in shaping public opinion. This visibility is the second reason for studying the online debates – they are also very visible to the Chinese government, and several researchers have pointed to a linkage between strong public opinion as a domestic constraint and Chinese foreign policy making. For instance, Wang Zheng (2012) demonstrates how increased public knowledge and historical sensitivity on certain issues has led the Chinese government to take a more confrontational stance in its US policy, while issues that are kept out of the media's spotlight can be resolved relatively peacefully. James Reilly (2012) demonstrates how public opinion influences China's foreign policy towards Japan, while Kang Su-Jeong (2013) finds that the domestic political situation during the leadership transition between 2001 and 2006 led to a more tolerant attitude towards popular nationalist outbursts which again led to a tougher policy towards Japan.

While the debates represent what we could call opposite sides of the nationalism spectrum, they still have two things in common. First of all, the enormous importance attached to history and the stereotypical use of historical rhetoric. In the Spratly debate, it is the word "bullying" that keeps recurring, referring to the way foreign powers have behaved in relation to China during its modernization process as well as to the buoy incident. In the second debate, it is repeatedly felt to be necessary to comment on the importance of remembering past humiliations (for instance no. 2 & 6) – but without inciting the type of nationalist hatred demonstrated by the young child in the story. Even though the debaters by and large argue for a conciliatory attitude towards Japan, many of them still feel the necessity of stating that national humiliation must never be forgotten.

Secondly, there is an undertone of criticism towards the current regime in both debates. In both debates there are comments expressing a certain level of nostalgia for former revolutionary leaders, and questioning whether the China of today matches the intentions they had, even though the conclusions they draw are quite different. In the Spratly debate, the nostalgic comment expects that the old leaders would never have tolerated the type of bullying that China suffers passively today, while the comments in the Japanese child debate centers on the wish for a stable and healthy society not dominated by hatred. The rest of the critical comments differ. In the Spratly debate, the call is for a more activist government that will not tolerate humiliations, while

the criticism in the Japanese child debate centers on the state-led educational system. The critical voices heard in the debates all fall within the type of comments that Lagerkvist and Sundqvist (2013) have called *loyal dissent*, comments that question certain policies and offer criticism of specific issues, but do not overtly challenge the Chinese government's leadership.

Conclusion

Benedict Anderson claimed that the development of print capitalism was necessary in order to spark the development of the modern nation-state and the consequent rise of nationalism as a cultural phenomenon. Today, we are witnessing how another technical development, the rise of the internet, is once again influencing the development of nationalism not least because of the increased visibility and the organizational scope of the online movements. However, it is also important to remember that local internet culture actually affects the specific shape of the online debates. Understanding Chinese internet culture becomes of primary importance in understanding the nationalist outbursts online. What makes online nationalism so extremely interesting is the fact that it is an example of an ideology that is actively promoted by the Chinese government, but where the online version is gradually becoming more and more critical towards the very same government. When official news bulletins and even weather forecasts stress that disputed territories such as the Spratly Islands belong to China, they are actually generating an increasing sense of frustration among the patriotic young generation.

The present wave of nationalist fervor among Chinese youth cannot be attributed to a single cause, but it is possible to identify some contributing factors. First of all, the patriotic education movement and the Chinese state's emphasis on the primary importance of national unity has strengthened a deep-rooted feeling of loyalty to China, which is ubiquitous among large parts of the Chinese population. This is not necessarily synonymous with loyalty to the CCP, but if we return to the survey from *Global Times* mentioned above, almost half the respondents feel that the interests of the government and the country cannot be separated (*Global Times*, 2013). However, the debates discussed in this article show that criticism of the government easily finds its way into debates on nationalist issues, a tendency that can be expected to grow as the Chinese government juggles nationalist fervor and practical political considerations. Secondly, Globalization and the increased contact with the Western world in the 90s led to a

disillusionment with western values and provided fertile ground for the re-enforcement of traditional Chinese values inherent in the patriotic education campaign. Also, the remembrance of past humiliations at the hands of Western nations and Japan has made perceived slights and differences of opinion as to the interpretation of historical events very pertinent. Finally, the rapid rise of the internet has meant that the young nationalists have found a platform to express their feelings and have been able to dominate the debate – even though there are often more moderate voices to be heard as well. While the internet in China is heavily censored it is still a relatively open platform compared to traditional media, and it is supremely efficient in reaching large audiences at home and abroad quickly thereby escalating the scope of nationalist incidents.

Therefore, the pious wish for the development of a healthy patriotism expressed in the Xinhua quote at the beginning of this article raises more questions than it answers. Nationalism is a strong social force, and by its very nature demands that some of the unresolved issues regarding China's history find a solution – otherwise there will be plenty of fuel for the online nationalist debate in years to come. Using historical imagery in school textbooks, patriotic education bases and across media platform creates loyalty to China, but as I have shown in the debates above, this loyalty takes very different shapes depending on the concrete context and does not necessarily entail a high level of loyalty to the Chinese government. The question then becomes to what extent the current wave of cyber-nationalism will be able to influence the Chinese government in its dealings with the surrounding world – or to put it another way: will the call for rational patriotism from the government and Chinese intellectuals be heard by the young generation? So far, when protests have spilled over from cyberspace into real life, the issues involved have mostly been related to past humiliations. It seems that in order to create the violent fury necessary for these demonstrations to materialize, historical anger is needed to fuel the debate. As long as the Chinese state emphasizes the need for a rational expression of patriotism with one hand, while the other hand continues to fan the nationalist fires by airing historical TV-series with a strong anti-Japanese focus on state television and emphasizing the need to never forget past humiliations in history classes, the double-edged sword that is nationalism in China today will continue to pressure the Chinese Government into a tough stance on any issue related to Japan and other historically sensitive topics. Thus, the pressure that the Chinese government faces on these sensitive issues is partly caused by its own narrative of historical humiliation.

Notes

[1] http://english.people.com.cn/90001/90780/91342/7176587.html (Accessed April 29, 2013).

[2] This story was randomly selected when searching for the term Spratly Islands (*Nansha Qundao*) on Weibo on February 10 (2014)and then selecting one of the most popular stories. Popularity was determined partly by its ranking on Weibo's list of search results, partly by the number of comments. The story and its comments can be found here: http://www.weibo.com/3921730119/AvOYfAHBI#_rnd1392301532807.

[3] The source for Figures 1 – 3 is the Weibo debate mentioned above: http://www.weibo.com/3921730119/AvOYfAHBI#_rnd1392301532807 (Accessed February 11, 2014).

[4] I have not attempted a quantitative classification of the comments, and the number of comments in each category is by no means intended to be representative of their relative share in the total number of comments in the debate. If anything, the patient comments are overrepresented in my selection. My interest here is solely in the type of arguments/the rhetoric used in the comments, not in what type of comments is most common.

[5] Source: http://www.douban.com/group/topic/36348268/ (Accessed May 3, 2013).

[6] The comments were selected from the first 20 comments, based on their representativeness and excluding very short or repetitious contributions.

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Book Review

Wolfgang Zank[*]

DAVID SHAMBAUGH. 2013. *China Goes Global: The Partial Power*. Oxford University Press, 409 pages, ISBN: 978-0-19-986014-2.

David Shambaugh, of George Washington University, has published extensively on Chinese affairs. His newest book, China Goes Global, can only consolidate his reputation as a leading scholar in this field. It is based on five years research, well written and accessible also for non-specialists. He draws on an impressive range of sources, not the least numerous interviews with officials, and his results are healthy antidotes to many exaggerations which circulate in the media, but also in parts of academia.

Some observers have claimed that China will "rule the world". For Shambaugh this is "profoundly overstated". Approvingly he quotes Joseph Nye who states that "this magnification of China, which creates fear in the U.S. and hubris in China, is the biggest danger we face" (p. 311). In Shambaugh's view, China has "a long way to go before it becomes – if it ever becomes - a true global power" (p.6). China's "foodprint" across the globe is broad, but not particularly deep. Furthermore, China remains a "lonely power", having neither close friends nor allies. Even in its closest relationships (North Korea, Pakistan, Russia) "strong elements of distrust percolate beneath the surface". Only in some sectors does China "actually exercise global influence: global trade patterns, global energy and commodity markets, the global tourism industry, global sales of luxury goods, global real estate purchases, and cyber hacking … Other than in these limited areas … China does not really influence global events". Nor does China try to positively resolve any global problems. "Generally speaking, Chinese diplomacy remains remarkably risk-averse and guided by narrow national interests". When it comes to subjects such as Taiwan, Tibet, Xinjiang, human rights or maritime territorial claims, Beijing becomes "hypervigilant", but in most other issues it remains "extremely passive for a state of its size and importance".

According to Shambaugh, the main motive behind China's external policy is support for the country's economic modernization. Another important aim is buttressing the power monopoly

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of the Communist Party, yet another one to guard China against security threats, in a wide sense. Shambaugh also adds the "Imperatives of History" to this list, but here for once his text becomes vague. It is important to notice that "ruling the world" is not on Beijing's list. As Vice Foreign Minister Cui Tiankai put it in 2012: "China's position is far behind the United States … We have been elevated [in the eyes of others] against our will. We have no intention to compete for global leadership". This is perfectly credible, given the point that China's economy is deeply embedded in the world economy. This has created a strong Chinese interest in world-wide stability. There have been some bouts of Chinese assertiveness, for instance in 2009, which destroyed a lot of good-will towards China, but they do not change the general picture of a prudent and cautious policy. True, in China there is a current of what Shambaugh calls "offensive" realists. They want China to use its new power, including force "when necessary". These circles entertain a strong sense of vindictiveness and retribution. But they also feel frustration because Beijing does exactly not behave the way they want it.

Through the modernization of her armed forces, China has accumulated "hard power" - to the worry of many of her neighbors. And in three fields she can actually project power globally. China possesses by now a significant missile force with presumably 400-600 nuclear warheads. This gives China offensive capabilities and a second-strike nuclear deterrent. China is also developing substantial antisatellite capabilities. This has alarmed many in the United States because the US military and intelligence agencies rely heavily on satellites. China is also "widely known to be the most aggressive cyber state in the world today". In other fields, however, China has got very limited possibilities. For instance, sustained naval operations far away from China's coasts are out of reach for a long time to come, due to a long list of lacking prerequisites, e.g. naval bases outside her territory. Beijing has repeatedly declared that it does not want any.

In the economic sphere, China certainly influences matters globally, e.g. through her strong demand for energy and raw materials, or through her export successes. Not so much as investor, some sensational media reports notwithstanding. The stock of Chinese Direct Investment is comparable to those of Denmark or Taiwan. And there are very few Chinese corporations which can operate truly globally: The three national oil companies Sinopec, CNOOC and CNPC, Huawei (telecom) and Haier (household appliances). Most other companies have at best a limited foreign presence. Their competitiveness on foreign markets remains often restricted because they, for instance, seldom hire non-Chinese managers, which limits their

knowledge of these markets. "Chinese firms … are extremely hierarchical. This makes for … a climate of risk aversion and disincentives to take the initiative … Chinese tend not to adept well to flat management structures which prize decentralization and individual initiative". This is one reason why mergers and acquisitions with non-Chinese companies often end in failure.

It is not lost on Chinese officials that China's image is an important factor when it comes to international influence. Consequently, Beijing has invested much money in public diplomacy and campaigns of various sorts. With very little success because certain aspects of the political system impact negatively on China's image. Putting restrictions on the work of foreign correspondents or arresting dissidents are simply actions which most people regard as unsympathetic. And as long as the Chinese media remain under government control, they cannot be competitive internationally. "We have a credibility problem", observed Zhu Yinghuang, a former editor of China Daily. Many Chinese officials seem to have an understanding of "soft power" meaning doing propaganda or public diplomacy. But for Joseph Nye, who coined the term, and Shambaugh it is an intrinsic ability to attract others, and "grows out of a country's culture, political values, and foreign policies". It is mainly about a society to attract others, not a government to persuade others. Minister Wang Chen, responsible for the State Council Information Office, asked Shambaugh what China should do to improve its soft power. He answered: "Just get the government out of your own people's way. China has an enormously talented society – just let it speak for itself".

All in all, Shambaugh's results may be surprising for some readers. But the reviewer thinks that even those who do not share Shambaugh's conclusions will find his book "exciting".