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# Rethinking Soft Power in Light of China's Belt and Road Initiative

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## ABSTRACT

This paper investigates how China appeals to other countries by utilizing soft power in ensuring their participation in the Belt and Road Initiative (BRI), which seeks to revive ancient Silk Road through infrastructure, trade, finance and other linkages. By employing a behavioral and contextualized explanation for soft power, this investigation reveals that Chinese state actively pursues a soft power-oriented economic diplomacy for BRI and relies on hard power resources for its effectiveness. Furthermore, China takes advantage of the power vacuum in the global economy and embraces a liberal economic vision for the international system in its diplomatic activities emphasizing the importance of globalization, free trade, infrastructure investment, and win-win cooperation in achieving high levels of economic development. While China frames BRI mainly in terms of economic development purposes, China's soft power appeal to other countries is likely to have important political and security implications for the international system.

**Keywords:** China, Belt and Road Initiative, Soft Power, Economic Diplomacy

## Çin'in Kuşak ve Yol Girişimi Işığında Yumuşak Gücü Yeniden Düşünmek

## ÖZET

Bu makale, Çin'in yumuşak güç kullanarak nasıl farklı ülkelerin eski İpek Yolu'nu altyapı, ticaret, finans ve diğer bağlantılarla canlandırmayı amaçlayan Kuşak ve Yol Girişimi (KYG) projesinde yer almasını sağlamaya çalıştığını inceliyor. Yumuşak güce davranışsal ve bağlamsal bir açıklama getiren bu inceleme gösteriyor ki Çin devleti KYG için yumuşak güce dayalı bir ekonomik diplomasi faaliyeti gözetiyor ve bunun etkili olması için de sert güç kaynaklarına dayanıyor. Dahası, Çin diplomatik faaliyetlerinde küresel ekonomideki güç boşluğundan yararlanarak uluslararası sistem için liberal bir ekonomik vizyonu sahipleniyor ve yüksek ekonomik kalkınma seviyesine ulaşabilmek için küreselleşme, serbest ticaret, altyapı yatırımı ve kazan-kazan işbirliğinin önemini vurguluyor. Çin KYG'yi daha çok ekonomik kalkınma amacı çerçevesine sokarken, Çin'in diğer ülkelere olan yumuşak güç cazibesinin uluslararası sistemde önemli siyasi ve güvenlik sonuçlarına yol açması kuvvetle muhtemel.

**Anahtar Kelimeler:** Çin, Kuşak ve Yol Girişimi, Yumuşak Güç, Ekonomik Diplomasi

## Introduction

Soft power as a concept was popularized by Joseph Nye to counter the arguments that American power was in decline.<sup>1</sup> While he coined this concept to explain that the United States enjoys power resources other than military and economic power, the rising powers in the international system and their potential to transform the global system requires a reexamination of this concept.<sup>2</sup> This paper aims to contribute to the evolving studies on soft power of rising powers by bringing a behavioral and contextual explanation to soft power. For this purpose, the Belt and Road Initiative (BRI)<sup>3</sup> of China is examined to reveal how China appeals to more than 60 countries around the world for their participation in this ambitious project. BRI offers a good opportunity to investigate Chinese foreign policy behavior towards other countries within the context of the changing dynamics in the global political economy. This paper argues that China employs soft-power oriented economic diplomacy for BRI and relies on hard power resources for ensuring its effectiveness. This highlights that hard and soft power resources are interdependent. In doing so, China embraces a liberal economic vision emphasizing the importance of globalization, free trade, infrastructure investment, and win-win cooperation in achieving high levels of economic development. At a time when the United States under President Donald Trump backtracks from global commitments, re-negotiates and withdraws from free trade agreements, China finds a power vacuum to fill with promises of mutual development for all the countries involved in the BRI. On the other hand, Chinese framing of BRI in terms of merely economic development purposes and the soft power appeal it creates should not veil the BRI's potential to transform political and security relations in Eurasia and beyond.

This article is organized as follows. The first section reviews the literature on soft power and the second section examines from a historical perspective how Chinese state utilizes soft power in different time periods through public diplomacy. The third section explains in detail the BRI, the proposed projects and illustrates how China utilizes economic diplomacy activities for this project. The fourth section concludes.

## Revisiting the Debate on Soft Power

In his early conceptualization, Nye referred to soft power of a country as an indirect way to exercise power such that you have the ability to get "others to want what you want" and you can set the agenda and determine the framework of a debate by relying on intangible power resources such as culture, ideology, and institutions.<sup>4</sup> In his later writings, Nye provided a more detailed explanation of soft

1 Joseph S. Nye, *Bound to Lead: The Changing Nature of American Power*, New York, Basic Books, 1990.

2 I believe that the re-examination, re-conceptualization of key concepts are necessary in building a non-Western, Global International Relations Theory. For more on this issue, see Amitav Acharya, and Barry Buzan, "Why is There No Non-Western International Relations Theory? An Introduction", *International Relations of the Asia-Pacific*, Vol.7, No.3, 2007, p.287-312.

3 Initially the project was named "One Belt One Road" (OBOR), but this term caused confusion that there is only one land and maritime route. In order to avoid the confusion, the term "Belt and Road Initiative" (BRI) was adopted. See Wade Shepard, "Beijing to the World: Don't Call the Belt and Road Initiative OBOR", 1 August 2017, <https://www.forbes.com/sites/wadeshepard/2017/08/01/beijing-to-the-world-please-stop-saying-obor/#4fe8704617d4>, (Accessed on 10 August 2017).

4 Nye, "Bound to Lead", p.31-32. It is important to underline that while Nye is the first to coin the term, similar concepts were introduced before in International Relations scholarship. For more on this issue, see David A. Baldwin, "Power and International Relations", Walter Carlsnaes, Thomas Risse and Beth A. Simmons (eds.) *Handbook of International Relations (2nd Edition)*, London, Sage Publications, 2013, p.273-297.

power: "Fully defined, soft power is the ability to affect others through the co-optive means of framing the agenda, persuading, and eliciting positive attraction in order to obtain preferred outcomes."<sup>5</sup> E. H. Carr identifies military power, economic power and power over opinion as three key forms of power in the international realm and maintains that while these are theoretically separable, in practice they are interdependent.<sup>6</sup> In his later writings Nye underlines that the tangibility of resources has a secondary role in his conceptualization of soft power and emphasizes a behavioral definition of soft power.<sup>7</sup> Irrespective of whether a state utilizes tangible or intangible power resources, how these resources are used has critical importance in bringing a behavioral explanation to soft power. Thus, if a state can produce co-optive behavior of other states by attraction rather than coercion, this is an implication of soft power.<sup>8</sup> Emphasizing the interdependence between hard and soft power resources, Gallarotti asserts that hard power can enhance soft power and vice versa.<sup>9</sup> Thus, it is critical to have an understanding that there is an interdependence between hard and soft power resources, which cannot be easily distinguishable in different contexts.

Nye coined the term "smart power" to highlight that combination of both soft and hard power resources is needed for effective foreign policy.<sup>10</sup> Nye suggests that the United States can become a smart power by investing in global public goods, the benefits of which can be enjoyed by all the countries.<sup>11</sup> In other words, the provision of public goods in the international system requires a combination of hard and soft power resources. Interestingly, BRI with its promotion of infrastructure investment, mutual development and win-win cooperation is a good example of a global public good offered by China to the rest of the world.<sup>12</sup> An important aspect of soft power is that countries with soft power capabilities need the ability to set and frame the agenda so that other countries will be attracted to the public good provision for their own interests. In this initiative, China addresses the deficiencies, vulnerabilities in the global economy, promises its own solutions, and builds a consensus among many countries for their participation.<sup>13</sup> This is a clear indication of China's soft power capabilities.

There are also measurement problems related to soft power because surveys or indices which attempt to measure soft power do not have well-established criteria and there is insurmountable difficulty in establishing the causal relationship between foreign policy output and soft power effectiveness.<sup>14</sup> However, these problems can be overcome by contextualizing the soft power analysis to a specific foreign policy goal by considering whether the expected outcomes can be achieved. Power

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5 Joseph S. Nye, *The Future of Power*, New York, Public Affairs, 2011, p.20-21.

6 Edward Hallett Carr, *The Twenty Years' Crisis, 1919-1939: An Introduction to the Study of International Relations*, London, Macmillan & Co. Ltd, 1946, p.108.

7 Joseph S. Nye, "Responding to My Critics and Concluding Thoughts", Inderjeet Parmar and Michael Cox (eds.) *Soft Power and US Foreign Policy: Theoretical, Historical and Contemporary Perspectives*, New York, Routledge, 2010, p.215-227.

8 *Ibid.*, p.216.

9 Giulio M. Gallarotti, "Soft Power: What It Is, Why It's Important, and the Conditions for Its Effective Use", *Journal of Political Power*, Vol.4, No.1, 2011, p.25-47.

10 Joseph S. Nye, "Get Smart: Combining Hard and Soft Power", *Foreign Affairs*, July-August 2009, p.160-163.

11 *Ibid.*, p.163.

12 It can be argued that the appeal of BRI to other countries shows China's smart power, a combination of hard and soft power resources. While this argument cannot be totally rejected, it requires more time to see whether BRI bears the promised fruits to the participating countries and China. In other words, we need to see the effectiveness of BRI to evaluate Chinese smart power. That is why this paper is mainly concerned with soft power aspects of Chinese appeal to the other countries.

13 Belt and Road Forum held in May 2017 brought together many countries, showing their willingness to participate in BRI. This forum is discussed in later parts of this article with more details.

14 Utku Yapıcı, "Yumuşak Güç Ölçülebilir mi?", *Uluslararası İlişkiler*, Vol.12, No.47, 2015, p.5-25.

is a relational concept and both parties in a relationship need to be identified within a certain context for a clear explanation and understanding of soft power.<sup>15</sup> Thus, an examination of soft power within the context of “interdependent, rule-governed interactions between states that share fundamental goals and values” would provide a fertile ground for scholars.<sup>16</sup> In the case of BRI, the context of global political economy shaped by the unfavorable conditions for economic development in the aftermath of the Global Financial Crisis and the unwillingness of the United States to lead in global public good provision has left a power vacuum that China can easily fill. Moreover, China has been successful in utilizing soft-power oriented economic diplomacy for appealing to the many countries in ensuring their participation in the BRI. Early phases of BRI gives the opportunity to examine the Chinese soft power because China has a specific goal: to make sure that as many countries as possible participate in this initiative. An early evaluation underscores that China has been successful so far: the list of countries expressing their interest in the project are increasing rapidly<sup>17</sup> and the number of projects underway, the value of contracts in participating countries are growing swiftly.<sup>18</sup>

Thinking about hard and soft power in a continuous spectrum rather than a dichotomous one would also be helpful in the analysis of soft power.<sup>19</sup> In this respect, agenda setting, institutional control and utilizing framing and rhetoric for achieving desired outcomes would constitute the softest forms of power.<sup>20</sup> This leads to the argument that legitimacy is at the heart of soft power because authority without force enables states to achieve their goals much more easily in a complex international system.<sup>21</sup> Therefore, states which can legitimize their objectives in the eyes of other states are expected to be the ones having and utilizing soft power effectively. In this respect, public diplomacy is an essential tool for the legitimization of causes in world politics. This study aims to bring a behavioral explanation to Chinese soft power within the context of the BRI because public diplomacy has a very important role to play in appealing to other countries for legitimization purposes.<sup>22</sup>

Public diplomacy is an essential tool to advance the soft power of a country and it is widely used by states to turn hard power into the soft power of legitimacy, credibility, cultural superiority, and normative dominance.<sup>23</sup> Wilson underlines the importance of communications and rhetoric since smart power requires a smart campaign.<sup>24</sup> Nye also accentuates that public diplomacy is an indispensable tool for the promotion of a country’s soft power and contends that the United

15 Nye, “Responding to My Critics”, p.220.

16 David W. Kearns, “The Hard Truths about Soft Power”, *Journal of Political Power*, Vol.4, No.1, 2011, p.81.

17 Shannon Tiezzi, “Who Is Actually Attending China’s Belt and Road Forum?”, 12 May 2017, <http://thediplomat.com/2017/05/who-is-actually-attending-chinas-belt-and-road-forum/>, (Accessed on 10 August 2017).

18 A report by DBS Bank indicates that in 2016 compared to 2015 value of infrastructure contracts signed by countries participating in BRI increased by 36% to 126 billion USD. For more on this issue, see Rachel Miu, Chong Tjen-San and Chris Leung, “Asian Insights SparX: One Belt One Road Infrastructure Sector”, 24 July 2017, [http://www.dbs.com.hk/corporate/aics/pdfController.page?pdfpath=/content/article/pdf/AIO/072017/170724\\_insights\\_one\\_belt\\_one\\_road\\_moving\\_faster\\_than\\_expected.pdf](http://www.dbs.com.hk/corporate/aics/pdfController.page?pdfpath=/content/article/pdf/AIO/072017/170724_insights_one_belt_one_road_moving_faster_than_expected.pdf), (Accessed on 21 August 2017).

19 Steven B. Rothman, “Revising the Soft Power Concept: What are the Means and Mechanisms of Soft Power?”, *Journal of Political Power*, Vol. 4, No. 1, 2011, p. 49-64.

20 *Ibid.*, p.52-54.

21 Robert Cooper, “Hard Power, Soft Power and the Goals of Diplomacy”, David Held and Mathias Koenig-Archibugi (eds.), *American Power in the 21st Century*, Cambridge, Polity Press, 2004, p.167-180.

22 Jan Melissen (eds.) *The New Public Diplomacy: Soft Power in International Relations*, New York, Palgrave Macmillan, 2005.

23 Peter van Ham, “Power, Public Diplomacy, and the Pax Americana”, Jan Melissen (eds.) *The New Public Diplomacy: Soft Power in International Relations*, New York, Palgrave Macmillan, 2005, p.47-66.

24 Ernest J. Wilson III, “Hard Power, Soft Power, Smart Power”, *The Annals of the American Academy of Political and Social Science*, Vol.616, No.1, 2008, p.120.

States won the Cold War through successful public diplomacy.<sup>25</sup> As Lampton underlines, agenda setting at both the domestic and international level, winning support and compliance with certain policies at a global scale, ability to influence the implementation process and the effectiveness in policy outcomes are clear implications of a powerful state.<sup>26</sup> BRI in these respects illustrates that China has successfully used its power resources in agenda setting and gaining support at the international level. Moreover, China has been successful not by compelling other countries but rather by attraction. This confirms Lampton's observation that Chinese authorities have increasingly sought to attract support for China at the international arena through appeal rather than coercion.<sup>27</sup> This requires active public diplomacy from the Chinese side. Soft power can be conceived as "soft use of power to increase a state's attraction, persuasiveness, and appeal" so that by providing public goods to international society a country can "win respect, amity, and positive reciprocity from other states".<sup>28</sup> Therefore, we need to have a closer look at how Chinese public diplomacy, especially economic diplomacy advances soft power in foreign relations by bringing a behavioral explanation to soft power.

## **Public Diplomacy and Soft Power with Chinese Characteristics**

There are several studies on how soft power is perceived and debated within China<sup>29</sup> and one important aspect is that diplomacy is at the heart of soft power with Chinese characteristics.<sup>30</sup> There are contrasting views about the nature of the Chinese soft power. Shambaugh suggests that China possesses little soft power because China does not offer a model for other nations to emulate, culturally Chinese global image is not positive, China cannot set global trends, and society is the main source of soft power, not the government, despite the public diplomacy efforts to improve the Chinese image.<sup>31</sup> In contrast, Kurlantzick attributes increasing Chinese influence or the "charm offensive" in different parts of the world to the fact that the Chinese perceive soft power much broader than what Nye defined it to be and in the Chinese case, it is much more difficult to distinguish between soft and hard power.<sup>32</sup> Wang suggests that in order to grasp the underlying dynamics behind the Chinese soft power, we need to go beyond public diplomacy and examine China's grand strategy.<sup>33</sup> With lessons from

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25 Joseph S. Nye, "Public Diplomacy and Soft Power", *The Annals of the American Academy of Political and Social Science*, Vol.616, No.1, 2008, p.94-109.

26 David M. Lampton, *The Three Faces of Chinese Power: Might, Money, and Minds*, Berkeley, University of California Press, 2008, p.9.

27 *Ibid.*, p.10.

28 Mingjiang Li, "Soft Power: Nurture Not Nature" Mingjiang Li (eds.), *Soft Power: China's Emerging Strategy in International Politics*, Plymouth, UK, Lexington Books, 2009, p.7.

29 Young Nam Cho and Jong Ho Jeong, "China's Soft Power: Discussions, Resources, and Prospects", *Asian Survey*, Vol.48, No.3, 2008, p.453-472; Li Mingjiang, "China Debates Soft Power", *The Chinese Journal of International Politics*, Vol.2, No.2, 2008, p.287-308; Sheng Ding, "Analyzing Rising Power from the Perspective of Soft Power: A New Look at China's Rise to the Status Quo Power", *Journal of Contemporary China*, Vol.19, No.64, 2010, p.255-272.

30 Ingrid d'Hooghe, "Public Diplomacy in the People's Republic of China", Jan Melissen (eds.) *The New Public Diplomacy: Soft Power in International Relations*, New York, Palgrave Macmillan, 2005, p.93.

31 David L. Shambaugh, *China Goes Global: The Partial Power*, Oxford, Oxford University Press, 2013.

32 Joshua Kurlantzick, *Charm Offensive: How China's Soft Power is Transforming the World*, New Haven, Yale University Press, 2007.

33 Yiwei Wang, "Public Diplomacy and the Rise of Chinese Soft Power", *The Annals of the American Academy of Political and Social Science*, Vol.616, No.1, 2008, p.257-273. In this respect, BRI can easily be considered as an essential component of Chinese grand strategy by which China strives to improve its influence in different parts of the world and secure its interests. Thus, BRI comprises of vital foreign policy objectives in addition to the declared economic development objectives. For more on this issue, see Flynt Leverett and Wu Bingbing, "The New Silk Road and China's Evolving Grand

history, Chinese leaders realize that for hegemony China needs to be rational, legitimate and embrace a hegemonic cause.<sup>34</sup> Relatedly, Chinese grand strategy and the resulting public diplomacy aspires to achieve three objectives: shaping a sympathetic and harmonious international environment that is a catalyst for the China's rise; creating a Chinese international image that reflects Chinese charm and kindness; building Chinese soft power with norms and values.<sup>35</sup> Therefore, in the Chinese case, public diplomacy plays an essential role to develop and improve Chinese soft power.<sup>36</sup>

In its path of reclaiming international recognition and prestige, China has been pursuing a very active public diplomacy since the early 2000s, trying to portray a positive image in global affairs to avoid the "China threat perception" and for this purpose advanced concepts such as "Peaceful Rise", "Peaceful Development" and "Harmonious Society" in international relations.<sup>37</sup> At the international level, Chinese public diplomacy activities aim to achieve three key objectives: seeking understanding for its political system, the perception of a stable, trustworthy, responsible economic partner and member of international community and respect as an ancient culture with a long history.<sup>38</sup> In 2004 Chinese foreign policy officials established a diplomatic strategy to accelerate cultural and economic diplomacy and Chinese officials at the highest level have voiced their concerns about the unjust international system to foster economic diplomacy activities overseas.<sup>39</sup> In 2007 Chinese President Hu Jintao underlined the importance of enhancing cultural soft power in making China "more influential politically, more competitive economically, more appealing in its image, and more inspiring morally".<sup>40</sup> Cultural and economic diplomacy activities are the most widely employed strategies to promote Chinese soft power. In terms of cultural diplomacy, opening Confucius Institutes around the world constitutes an important aspect of promoting Chinese soft power.<sup>41</sup> On the other hand, Chinese economic diplomacy activities constitute the cornerstone of Chinese soft power.<sup>42</sup>

Throughout modern history, Chinese economic diplomacy activities have evolved from engagement with the international economic system to integration and then to participation.<sup>43</sup> Since the start of the global financial crisis in 2008 China enters the last phase of leadership in its economic

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Strategy", *The China Journal*, Vol.77, 2017, p.110-132.

34 Wang, "Public Diplomacy", p.267.

35 Ibid., p.270.

36 Shambaugh reiterates the view that Nye developed the concept of soft power for the United States where there is a clear distinction between the state and non-state spheres. On the other hand, for the Chinese case there cannot be a clear distinction between these spheres. Thus, for the Chinese case state activities are at the forefront of soft power push. Nevertheless, Shambaugh argues that Chinese soft power push is doomed to fail because of restraints imposed on Chinese citizens. For more on this issue, see David Shambaugh, "China's Soft-Power Push: The Search for Respect", *Foreign Affairs*, Vol.94, July/August 2015, p.99-107.

37 Jian Wang, "Introduction: China's Search of Soft Power" Jian Wang (eds.) *Soft Power in China: Public Diplomacy through Communication*, New York, Palgrave Macmillan, 2011, p.1-18.

38 D'Hooghe, "Public Diplomacy in the People's Republic of China", p.93.

39 Timothy R. Heath, "China's Evolving Approach to Economic Diplomacy", *Asia Policy*, Vol.22, No.1, 2016, p.157-191.

40 Wang, "Introduction", p.8.

41 James F. Paradise, "China and International Harmony: The Role of Confucius Institutes in Bolstering Beijing's Soft Power", *Asian Survey*, Vol.49 No.4, 2009, p.647-669; Claude Zanardi, "China's Soft Power with Chinese Characteristics: The Cases of Confucius Institutes and Chinese Naval Diplomacy", *Journal of Political Power*, Vol.9, No.3, 2016, p.431-447.

42 Yongnian Zheng and Chi Zhang, "'Soft Power' and Chinese Soft Power", Hongyi Lai and Yiyi Lu (eds.) *China's Soft Power and International Relations*, New York, Routledge, 2012, p.21-38.

43 Audrye Wong, "Chinese Perspectives on Economic Diplomacy", 22 September 2016, <http://www.theasianforum.org/chinese-perspectives-on-economic-diplomacy/> (Accessed on 11 August 2017).

diplomacy activities.<sup>44</sup> Chinese president Xi Jinping started to pursue active economic diplomacy activities during the first year of his term by popularizing the “Chinese Dream” concept and the Chinese economic development success story underpins the Chinese appeal to the countries especially in Africa and the Asia-Pacific region.<sup>45</sup> China has maintained close economic ties with African countries in the last few decades, became the largest trading partner with Africa in order to satisfy its increasing energy needs despite the political and security risks.<sup>46</sup> China also opens economic cooperation zones in different parts of the world which illustrates the active and effective internationalization of the Chinese developmental state.<sup>47</sup> Another implication of Chinese economic diplomacy activities is the increasing high-speed railway projects in Southeast Asia.<sup>48</sup> Chinese President Xi Jinping maintained the economic diplomacy activities with emphasis on increasing the representation and voice of China and other developing countries by reforming the international system and global governance.<sup>49</sup> From a historical perspective, BRI constitutes the latest and the most ambitious manifestation of China’s economic diplomacy activities.<sup>50</sup>

In economic diplomacy activities, states try to achieve an equilibrium among three tensions: the tension between economics and politics; the tension between international and domestic pressures; and tension between governments and other forces.<sup>51</sup> Trying to reconcile these tensions, economic diplomacy can be described as using political tools for advancing national economic wealth and utilizing economic means for achieving domestic political stability.<sup>52</sup> In its economic diplomacy activities, China has both economic and political objectives. For instance, one of the reasons behind China’s recent international initiatives is related to domestic economic reform efforts. The Third Plenary Session of the 18th Central Committee of the Communist Party of China took place in November 2013 and resulted in the decisions of deepening economic reform in China by exporting production overcapacity to other countries, making use of accumulated foreign exchange reserves with more profitable investments; taking more steps for financial liberalization and establishing cooperation mechanisms with developing countries.<sup>53</sup> With these reform efforts, China aims to

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44 Wong, “Chinese Perspectives on Economic Diplomacy”.

45 Lukasz Fijalkowski, “China’s ‘Soft Power’ in Africa?”, *Journal of Contemporary African Studies*, Vol.29, No.2, 2011, p.223-232; Daojiong Zha, “China’s Economic Diplomacy: Focusing on the Asia-Pacific Region”, *China Quarterly of International Strategic Studies*, Vol.1, No.1, 2015, p.85-104.

46 Eleanor Albert, “China in Africa”, 12 July 2017, <https://www.cfr.org/backgrounders/china-africa> (Accessed on 13 August 2017).

47 Deborah Bräutigam and Tang Xiaoyang, “Economic Statecraft in China’s New Overseas Special Economic Zones: Soft Power, Business or Resource Security?”, *International Affairs*, Vol.88, No.4, 2012, p.799-816.

48 Dragan Pavličević and Agatha Kratz, “Testing the China Threat Paradigm: China’s High-Speed Railway Diplomacy in Southeast Asia”, *The Pacific Review*, Vol.31, No.2, 2018, p.151-168.

49 Heath, “China’s Evolving Approach to Economic Diplomacy”.

50 China’s recent economic diplomacy activities at the global level are not restricted to BRI. Other global Chinese initiatives include Asian Infrastructure Investment Bank, New Development Bank and Free Trade Area of the Asia Pacific. For a detailed investigation of these Chinese initiatives and the emerging Beijing Consensus, see Mustafa Yağcı, “A Beijing Consensus in the Making: The Rise of Chinese Initiatives in the International Political Economy and Implications for Developing Countries”, *Perceptions: Journal of International Affairs*, Vol.21, No.2, 2016, p.29-56.

51 Nicholas Bayne and Stephen Woolcock, “What is Economic Diplomacy?”, Nicholas Bayne and Stephen Woolcock (eds.), *The New Economic Diplomacy: Decision-Making and Negotiation in International Economic Relations*, Burlington, Ashgate Publishing, Ltd., 2011, p.10.

52 Maaikje Okano-Heijmans, “Conceptualizing Economic Diplomacy: The Crossroads of International Relations, Economics, Ipe and Diplomatic Studies”, *The Hague Journal of Diplomacy*, Vol.6, No.1, 2011, p.17.

53 “Decision of the Central Committee of the Communist Party of China on Some Major Issues Concerning Comprehensively Deepening the Reform”, 16 January 2014, [http://www.china.org.cn/china/third\\_plenary\\_session/2014-01/16/content\\_31212602.htm](http://www.china.org.cn/china/third_plenary_session/2014-01/16/content_31212602.htm), (Accessed on 14 July 2017).



transform its investment-based economy to a consumption-based one by avoiding middle-income trap and reaching higher levels of income. On the other hand, China utilizes economic diplomacy in attaining foreign policy objectives. China has not shied away from coercive economic diplomacy activities in pursuit of foreign policy goals and was claimed to have conducted these coercive activities covertly with the goal of not damaging its international image and reputation.<sup>54</sup> Thus, China does not hesitate from using economic diplomacy activities in coercing other countries to comply with certain political and security issues that are of paramount interest to itself.<sup>55</sup> A recent example to Chinese economic diplomacy activities that achieve foreign policy objectives is that the President of Philippines Duterte put the dispute on the South China Sea with China on hold when he made a visit to Beijing in 2016 and returned home with 24 billion USD worth of Chinese funding and investment pledges.<sup>56</sup> It can be anticipated that BRI will be used by Chinese officials for attaining foreign policy objectives.

## Belt and Road Initiative: Unpacking the Features of Chinese Soft Power

Chinese President Xi Jinping first introduced the concept of “The Silk Road Economic Belt” during his visit to Kazakhstan in September 2013 and in October 2013 President Xi proposed “21st Century Maritime Silk Road” during his visit to Indonesia.<sup>57</sup> Since 2013 BRI has been developed very rapidly and several agreements were made that provides a general overview of the ambitious project.<sup>58</sup> In 2015, Chinese government organizations responsible for coordinating BRI (National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce) released an official action plan outlining the objectives, principles, and framework of BRI.<sup>59</sup> This document highlights that China upholds key foreign policy doctrine of Five Principles of Peaceful Coexistence in BRI,<sup>60</sup> BRI is open for cooperation, harmonious and inclusive, follows market rules and international norms and seeks mutual benefit.<sup>61</sup> Furthermore, BRI seeks to establish policy coordination, facilities connectivity through infrastructure investments, unimpeded trade, financial integration and people-

54 Christina Lai, “Acting One Way and Talking Another: China’s Coercive Economic Diplomacy in East Asia and Beyond”, *The Pacific Review*, Vol.31, No.2, 2018, p.169-187.

55 Bonnie S. Glaser, “China’s Coercive Economic Diplomacy: A New and Worrying Trend”, 6 August 2012, <https://www.csis.org/analysis/chinas-coercive-economic-diplomacy-new-and-worrying-trend> (Accessed on 10 August 2017).

56 Andrea Calozzo and Cecillia Yap, “China Visit Helps Duterte Reap Funding Deals Worth \$24 Billion”, 21 October 2016, <https://www.bloomberg.com/news/articles/2016-10-21/china-visit-helps-duterte-reap-funding-deals-worth-24-billion> (Accessed on 9 August 2017).

57 The Belt and Road Initiative, “Chronology of China’s Belt and Road Initiative”, 28 March 2015, [http://english.gov.cn/news/top\\_news/2015/04/20/content\\_281475092566326.htm](http://english.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm), (Accessed on 15 August 2017).

58 It should be noted while several projects are underway, some negotiations are ongoing, and many projects will be included under the umbrella of BRI in the coming years. Belt and Road Portal, “Policies”, 9 June 2017, [https://eng.yidaiyilu.gov.cn/info/iList.jsp?cat\\_id=10061](https://eng.yidaiyilu.gov.cn/info/iList.jsp?cat_id=10061), (Accessed on 15 August 2017).

59 The State Council, the People’s Republic of China, “Full Text: Action Plan on the Belt and Road Initiative”, 30 March 2015, [http://english.gov.cn/archive/publications/2015/03/30/content\\_281475080249035.htm](http://english.gov.cn/archive/publications/2015/03/30/content_281475080249035.htm), (Accessed on 15 August 2017).

60 These principles are mutual respect for each other’s sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence. For the origination of these principles, see Ministry of Foreign Affairs of the People’s Republic of China, “China’s Initiation of the Five Principles of Peaceful Co-Existence”, [http://www.fmprc.gov.cn/mfa\\_eng/ziliao\\_665539/3602\\_665543/3604\\_665547/t18053.shtml](http://www.fmprc.gov.cn/mfa_eng/ziliao_665539/3602_665543/3604_665547/t18053.shtml), (Accessed on 2 August 2017).

61 The State Council, “Full Text: Action Plan on the Belt and Road Initiative”.

to-people bonds among all the participating countries in three continents of Africa, Asia and Europe.<sup>62</sup> In May 2017, Belt and Road Forum brought together 29 government leaders, 28 government officials at different ranks from 57 countries, most of them from Asia and Europe.<sup>63</sup>

BRI aspires to fill the infrastructure gap in the developing world<sup>64</sup> and is composed of Silk Road Economic Belt (SREB) and Maritime Silk Road (MSR). SREB includes six land corridors of The New Eurasia Land Bridge Economic Corridor, The China–Mongolia–Russia Economic Corridor, The China–Central Asia–West Asia Economic Corridor, The China–Indochina Peninsula Economic Corridor, The Bangladesh-China-India-Myanmar Economic Corridor and The China-Pakistan Economic Corridor (CPEC).<sup>65</sup> MRS is composed of three maritime routes: China-Indian Ocean-Africa-Mediterranean Sea, China-Oceania-South Pacific, and Europe-Arctic Ocean.<sup>66</sup> Overall, BRI includes but not limited to several investments in railroads, gas and oil pipelines, ports and economic corridors. Some of the projects that are underway include China-Belarus Industrial Park, Gwadar Port Free Zone in Pakistan, Colombo Port City in Sri Lanka, China Railway Express to Europe, Jakarta-Bandung Railway, China-Laos Railway, China-Thailand Railway, Mombasa-Nairobi Railway, Addis Ababa-Adama Expressway, and Karot Hydropower Project in Pakistan.<sup>67</sup> These projects require an unprecedented level of investment finance. China Development Bank, as one of the key financiers of BRI related projects, tracks more than 900 projects in 60 countries worth more than 890 billion USD, Bank of China is expected to lend around 100 billion USD between 2016 and 2018, and Industrial and Commercial Bank of China (ICBC) examines approximately 130 projects worth 159 billion USD.<sup>68</sup> When these numbers are compared to the 103.4 billion USD, contemporary equivalent cost of the Marshall Plan that covered 16 European countries in the aftermath of World War 2, the extent of the BRI becomes much clearer.<sup>69</sup> For the financing of these ambitious projects with future spending ranging from 4 to 8 trillion USD,<sup>70</sup> China relies not just on its private and public sector, but also on multilateral organizations and financial capital from other countries.<sup>71</sup> However, the bulk of the financing is expected to come from China. In other words, China relies on its hard power resources in the effectiveness of its economic diplomacy activities.

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62 Ibid.

63 The Diplomat, "Belt and Road Attendees List", 12 May 2017, <http://thediplomat.com/2017/05/belt-and-road-attendees-list/>, (Accessed on 3 August 2017).

64 A recent report estimates that global infrastructure investment need is expected to reach 94 trillion USD by 2040. For more on this issue, see Chris Heathcote, "Forecasting Infrastructure Investment Needs for 50 Countries, 7 Sectors through 2040", 10 August 2017, <http://blogs.worldbank.org/ppps/forecasting-infrastructure-investment-needs-50-countries-7-sectors-through-2040>, (Accessed on 22 August 2017).

65 Raffaello Pantucci and Sarah Lain, "I. China's Grand Strategy: The Belt and Road Initiative", *Whitehall Papers*, Vol.88, No.1, 2016, p.7-16.

66 Xinhua, "Vision for Maritime Cooperation under the Belt and Road Initiative", 20 June 2017, [http://news.xinhuanet.com/english/2017-06/20/c\\_136380414.htm](http://news.xinhuanet.com/english/2017-06/20/c_136380414.htm), (Accessed on 11 August 2017).

67 Xinhua, "Backgrounder: Projects underway under Belt and Road Initiative", 10 May 2017, [http://news.xinhuanet.com/english/2017-05/10/c\\_136271092.htm](http://news.xinhuanet.com/english/2017-05/10/c_136271092.htm), (Accessed on 13 August 2017).

68 Peter Cai, "Understanding China's Belt and Road Initiative", 22 March 2017, <https://www.lowyinstitute.org/publications/understanding-belt-and-road-initiative>, (Accessed on 13 August 2017).

69 Special Inspector General for Afghanistan Reconstruction, "Quarterly Report to the United States Congress", July 30 2014, <https://www.sigar.mil/pdf/quarterlyreports/2014-07-30qr.pdf>, (Accessed on 9 August 2017).

70 Christopher Balding, "Can China Afford Its Belt and Road?", 17 May 2017, <https://www.bloomberg.com/view/articles/2017-05-17/can-china-afford-its-belt-and-road>, (Accessed on 11 August 2017).

71 Alicia García-Herrero, "China Cannot Finance the Belt and Road Alone", 12 May 2017, <http://bruegel.org/2017/05/china-cannot-finance-the-belt-and-road-alone/>, (Accessed 11 August 2017).

BRI related economic diplomacy activities also strive to reduce the perception that China is the dominant actor in the project and that's why Chinese officials emphasize catch-up development, poverty alleviation, win-win cooperation and multilateralism in their "inclusive globalization" rhetoric.<sup>72</sup> In contrast to the expectation that Chinese promotion of cultural soft power would result in promotion of Chinese socialist values as an alternative to the Western values,<sup>73</sup> China appeals to the other countries by embracing and being in favor of the liberal economic global order. In the absence of the American leadership in the World Economic Forum held in January 2017, Xi Jinping used the keynote speech in the event to champion the fruits of economic globalization and free trade for win-win outcomes for all, against the rise of protectionist discourse:

We must remain committed to developing global free trade and investment, promote trade and investment liberalization and facilitation through opening-up and say no to protectionism. Pursuing protectionism is like locking oneself in a dark room. While wind and rain may be kept outside, that dark room will also block light and air. No one will emerge as a winner in a trade war.<sup>74</sup>

In the same speech, President Xi also underlined the importance of developing an innovation-driven economic growth model, pursuing a well-coordinated and inter-connected model of open and win-win cooperation, developing a model of fair and equitable global governance and accomplishing a balanced, equitable and inclusive development model around the world.<sup>75</sup> In May 2017, President Xi reiterated these principals as the building blocks of China's approach to global development and put forward that with the participating countries BRI should be built into a road for peace, prosperity, opening up, innovation and connecting different civilizations.<sup>76</sup>

What distinguishes BRI from China's early soft power oriented economic diplomacy activities is that China is much more powerful, has accumulated unprecedented foreign exchange reserves and can rely on its economic and financial capacity to support numerous BRI-related projects in more than 60 countries. Moreover, the international context makes the BRI much more appealing. At a time when the US is withdrawing from its international obligations and having a more protectionist discourse, China can take advantage of the international power vacuum and can use soft power oriented economic diplomacy much more effectively by relying on its economic and financial capacity. This also underscores the interdependence of hard and soft power resources: when countries can rely on their hard power resources, they can use their soft power much more effectively. China's increased economic and financial capacity gives confidence to the Chinese authorities to pursue ambitious initiatives like the BRI. This confidence has enabled Xi Jinping to include BRI to the Chinese Communist Party constitution in the 19<sup>th</sup> congress and BRI is framed as his signature initiative and foreign policy objective.<sup>77</sup>

72 Weidong Liu and Michael Dunford, "Inclusive globalization: unpacking China's Belt and Road Initiative", *Area Development and Policy* Vol.1, No.3, 2016, p.323-340.

73 Bonnie S. Glaser and Melissa E. Murphy, "Soft Power with Chinese Characteristics: The Ongoing Debate" Carola McGiffert (eds.) *Chinese Soft Power and Its Implications for the United States: Competition and Cooperation in the Developing World*, Washington DC, Center for Strategic and International Studies, 2009, p.10-26.

74 World Economic Forum, "President Xi's speech to Davos in full", 17 January 2017, <https://www.weforum.org/agenda/2017/01/full-text-of-xi-jinping-keynote-at-the-world-economic-forum>, (Accessed on 25 August 2017).

75 Ibid.

76 Xinhua, "Full Text of President Xi's Speech at Opening of Belt and Road Forum", 14 May 2017, [http://news.xinhuanet.com/english/2017-05/14/c\\_136282982.htm](http://news.xinhuanet.com/english/2017-05/14/c_136282982.htm), (Accessed on 17 August 2017).

77 Xinhua, "Belt and Road Incorporated into CPC Constitution", 24 October 2017, [http://news.xinhuanet.com/english/2017-10/24/c\\_136702025.htm](http://news.xinhuanet.com/english/2017-10/24/c_136702025.htm), (Accessed on 11 December 2017).

Despite the soft power appeal of the BRI, the initiative is also facing serious obstacles in different countries. Some of the key debates are over who benefits from BRI-related projects and the repatriation of investments. For instance, Pakistani banks were eager to take part in the financing of CPEC projects but out of 6 to 7 billion USD worth projects, Pakistani banks could only finance 470 million USD and the rest of the finances came from the Chinese entities.<sup>78</sup> If more countries realize that they cannot gain from the BRI and only the Chinese entities are expected to benefit, the future of the BRI might not be positive. Moreover, there are reports that BRI-related projects in Nepal and Pakistan are facing serious impediments because there was no open tender process in the former and the terms of the deal were very strict in the latter.<sup>79</sup> According to some observers, the countries involved in the BRI constitute very risky investments because most of them are in junk status or not rated for investment grade.<sup>80</sup> While the risks along the BRI are real, China has a history of making risky investments in different parts of the world. Nevertheless, the real question is whether Chinese investments will result in win-win cooperation and mutual development for all. If not, Chinese efforts of soft power diplomacy may not persuade several countries to join China's express train. Thus, China's economic and political ambitions along the BRI rests not only on what China says and does but also how different countries perceive Chinese activities. We need a more long-term perspective to give definite answers to the question marks raised here because BRI is at a very early stage.

While China triumphs the economic dimension of BRI, an important aspect of it is the political and security dimension. The centrality of countries along the BRI is an example of how political considerations prioritize several countries. The estimated cost of around 46 billion USD for CPEC illustrates the central role of Pakistan in BRI for political reasons. This has led the Indian leadership to be suspicious of BRI, claiming that it is violating India's sovereignty.<sup>81</sup> Thus, the soft-power appeal of China in the BRI is very likely to have vital political and security implications. The border dispute with India<sup>82</sup> and the South China Sea dispute with the Southeast Asian countries<sup>83</sup> are important cases in point. Recently, the remarks of the Turkish Foreign Affairs Minister about eliminating anti-China media reports in Turkey can also be explained by Turkey's eagerness to take a more central role in BRI.<sup>84</sup>

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78 South China Morning Post, "China's Belt and Road Trade Plan Bypasses Pakistani Banks", 27 October 2017, <http://www.scmp.com/news/china/diplomacy-defence/article/2117281/chinas-belt-and-road-trade-plan-bypasses-pakistani>, (Accessed on 11 December 2017).

79 Peter Guy, "Nepal and Pakistan Pulling the Plug on Belt and Road Plans, Casts Spotlight on Public Tender Issues", 20 November 2017, <http://www.scmp.com/business/china-business/article/2120597/nepal-and-pakistan-pulling-plug-belt-and-road-plans-casts>, (Accessed on 11 December 2017).

80 Bloomberg, "China's Silk Road Cuts Through Some of the World's Riskiest Countries", 26 October 2017, <https://www.bloomberg.com/news/articles/2017-10-25/china-s-new-silk-road-runs-mostly-through-junk-rated-territory>, (Accessed on 11 December 2017).

81 Indrani Bagchi, "India Slams China's One Belt One Road Initiative, Says It Violates Sovereignty", 14 May 2017, <http://timesofindia.indiatimes.com/india/china-road-initiative-is-like-a-colonial-enterprise-india/articleshow/58664098.cms>, (Accessed on 13 August 2017).

82 Steve George and Anish Gawande, "China Holds Live Fire Drills, as Border Dispute with India Enters Fifth Week", 25 August 2017, <http://edition.cnn.com/2017/07/19/asia/india-china-border-standoff/index.html>, (Accessed on 9 September 2017).

83 Xinhua, "China, ASEAN Officials to Meet on South China Sea This Week", 16 May 2017, [http://news.xinhuanet.com/english/2017-05/16/c\\_136289258.htm](http://news.xinhuanet.com/english/2017-05/16/c_136289258.htm), (Accessed on 13 August 2017).

84 Reuters, "Turkey Promises to Eliminate Anti-China Media Reports", 3 August 2017, <https://www.reuters.com/article/us-china-turkey-idUSKBN1AJ1BV> (Accessed on 10 August 2017).

## Conclusion

This article aims to contribute to the evolving literature on the soft power of rising powers. For this purpose, it brings a behavioral and contextual approach to Chinese soft power with a focus on the BRI. This analysis illustrates that China engages in active economic diplomacy activities for appealing to the potential participating countries by embracing a liberal economic vision for the future, promising win-win economic development cooperation without policy conditionality and filling the infrastructure gap in the developing world. Furthermore, China appears to fill the power vacuum in the international system by provision of public goods while the United States is withdrawing from its international obligations.

It must also be noted that the soft power appeal of China through BRI also involves limitations. First of all, China has to sustain its economic development to be able to finance numerous projects in different parts of the world. Without the necessary economic and financial capacity, China cannot build a soft power appeal. Secondly, the promises of win-win cooperation, mutual development, no policy conditionality are yet to be fulfilled. We need to have a more long-term view to evaluate whether Chinese promises will bear fruit to the participating countries and whether China will be able to fill the power vacuum in the global political economy. Thirdly, there are reports that BRI faces legal, regulatory and political bumps along the road. If China can overcome these obstacles and can persuade more countries to join its train, BRI may lead to the accomplishment of the “Chinese Dream”. If not, the efforts to build the peaceful and reliable image of China may be seriously damaged.

Chinese initiative of BRI has the potential to transform the international system not by confronting the United States but by shaping the system from within through proactive soft power diplomacy.<sup>85</sup> While most of the Chinese economic diplomacy activities are considered to be fulfilling the economic agenda, with possible changes in state’s intentions and capabilities political and security implications would easily arise.<sup>86</sup> This would result in serious repercussions for the international system as we know it. It would not be surprising to argue that the international system of tomorrow will be shaped by the interdependence of hard and soft power resources. The countries which are more successful in utilizing soft power appeal to other countries will be the ones shaping the global agenda and they will attain their objectives much more easily. As Lampton puts it, “If U.S. policymakers continue to view China’s power in substantially coercive terms when it is actually growing most rapidly in the economic and intellectual domains, they will be playing the wrong game, on the wrong field, with the wrong team.”<sup>87</sup>

85 Randall L. Schweller and Xiaoyu Pu, “After Unipolarity: China’s Visions of International Order in an Era of US Decline”, *International Security*, Vol.36, No.1, 2011, p.41-72.

86 Pavličević and Kratz, “Testing the China Threat Paradigm”.

87 David M. Lampton, “The Faces of Chinese Power”, *Foreign Affairs*, Vol.86, January/February 2007, p.116.