

TALLINN UNIVERSITY OF TECHNOLOGY

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**THE UNAVOIDABLE ‘SHARPNESS’ OF LOOKING
PRETENTIOUSLY ‘SOFT’: CHINA’S FOREIGN POLICY IN
THE XXI CENTURY**

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I declare that I have compiled the paper independently and all works, important standpoints and data by other authors have been properly referenced and the same paper has not been previously been presented for grading. The document length is 25585 words from the introduction to the end of summary.

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ABSTRACT

The People's Republic of China's modern foreign policy is evidently global in scope, embodying a complex combination of multi-faceted traditional and new methods and mechanisms. These allow the world's most populous country to effectively participate in a multi-polar global redesign of what has remained from the Yalta-1945 international system, which was created to 'accommodate' a different China. Arguably, especially during the Xi Jinping's era, the inevitability of China's geo-strategic 'elevation' made the discipline of international relations increasingly concerned about detecting a range of new explanatory variables on how China acts in the process of implementing its foreign policy. Using a comprehensive as well as pluralistically qualitative observational methodology (process tracing, case studies and discourse analysis) and departing from the postulates of neo-classical realism (Schweller 1998), this dissertation is to test the following argument: in order to solidify its substantial position as a major power in an increasingly volatile anarchic geo-strategic environment, China opts to employ a diverse range of 'sharp' diplomatic practices (be it conventional or public diplomacy-associated) while attempting to portray those as 'soft power'-based applications. Academically appreciating the most recent as well as perceivably effective activity of Chinese diplomacy in Europe, this material predominantly concentrates on the Asia-Pacific region, where the initial focus of President Xi's foreign policy-associated initiatives were 'residing'.

Keywords: China, foreign policy, Chinese diplomacy, soft power, sharp power, BRI, APR, PRC, ASEAN, APEC, neoclassical realism, structural realism

LIST OF ABBREVIATIONS

ACFTA	ASEAN–China Free Trade Area
ADMM	ASEAN Defence Ministers Meeting
AIIB	Asian Infrastructure Investment Bank
APEC	Asia-Pacific Economic Cooperation
APFTA	Asia-Pacific Free Trade Area
APR	Asia Pacific Region
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China, and South Africa
CCP	Chinese Communist Party
CI	Confucius Institute
DPRK	Democratic People’s Republic of Korea
ECS	East China Sea
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
FTAAP	Free Trade Area of the Asia-Pacific
FTZ	Free Trade Zone
GDP	Gross Domestic Product
IDFC	International Development Finance Corporation
IMF	International Monetary Fund
NGO	Non-Governmental Organization
PLA	People's Liberation Army
PRC	Peoples Republic of China
RCEP	Regional Comprehensive Economic Partnership
RMB	Renminbi
ROK	Republic of Korea
SCS	South China Sea
THAAD	Terminal High Altitude Area Defence
TPP	Trans-Pacific Partnership
UN	United Nations
WTO	World Trade Organization

INTRODUCTION

Within the latest four decades, the People's Republic of China (further – China) has managed to gain some geo-strategic comfort in finding substantial national interests in all parts of the globe. Firstly, the country's immediate neighbourhood and the broader 'homey' Asia-Pacific region or APR (the predominant focus of this dissertation) have had plenty of chances to be tested by Chinese diplomacy. Then, the rest of the globe, from the Arctic nations to Djibouti, Albania to Angola, Nicaragua to Portugal, started getting used to what China has to offer. The country's geographical position, the already realised potential, perpetual development-driven dynamics, and challenges that it is facing are critical factors that are shaping up the most populous nation's role in what has remained (if anything at all) from the Yalta-1945 international system. Speculatively, since the post-World War II international order was reflecting the then super-powers' need for another (much weaker as well as different) Chinese state, the contemporary China visibly enjoys participating in the process of multi-polar global redesign, comprehensively enriching the scholarly grand-debate in the field of international relations (Waltz 1979; Mearsheimer 2001; Zielonka 2012; Shambaugh 2013). These days, China is so closely interconnected with the other leading powers in order to make a difference that literally every single aspect of Chinese foreign policy becomes a major sub-field of scholarly research, not to mention specific China-focused policies being 'crafted' and carefully implemented by every single country, becomes of genuine interest to many global actors. The European Union (EU), the United States of America (the United States or USA), the Russian Federation (Russia), India, and a myriad of middle-range regional powers in the Asia-Pacific (Australia, Indonesia, Japan, the Republic of Korea, Iran or Saudi Arabia) are in the imaginary 'first row' of the Chinese foreign policy's recipients.

In order to study China's current foreign policy, this work employs the basic postulates of neoclassical realism (Schweller 1998) to create its discussional framework. This approach in no means discards other relevant paradigms, namely constructivist (Gries 2004) and liberal schools

of thought (Keohane 1984; Nye 2009) or, for example, a growing in importance scholarly vision on China as a contemporary imperial entity with a vague periphery (Zielonka 2012). These days, it is impossible to adequately assess a given region's current driving forces and events having only premises of neorealism as a means of prospective analytical take on an issue of scholarly concern.

A prospectively more **articulate and nuanced** influence of China on the APR determines a range of necessities to study not only the aspects of primarily economic pressure or hard core militarisation (these are typical parts of discourse in the world of political realism), but soft power, its sophisticated conversions into sharper elements of cooperation, and their impact on regional stability are also of primary need in the process of creating analytical instrumentarium for a proper discussion. The goal is, of course, to understand the foreign policy-associated strategies of key actors aspiring to the role of a leading major power and their visions of a regional or the global order, as well as the reactions of the countries of the region to these strategies and relations between countries (sounds like a constructivist conversation already), while paying attention to the role of regional institutions. The realist paradigm, however, usually states that relations between states are more about immediate proceeding into some sort of survival more and remaining there indefinitely, paying plenty of attention to real, perceived and prospective conflicts and rivalries. The liberal paradigm, on the contrary, emphasizes the factual cooperation of states in the international arena and stresses that cooperation in the economic sphere will lead to cooperation in the field of politics, thus, leading to a more secure international environment. Within the liberal paradigm-originated framework, it is believed that it is much more beneficial for people to enter into some sort of cooperation relations rather than into rivalry, and the state should adhere to the same principle in carrying out its policies. Therefore, it is cooperation that brings maximum benefit to states and societies, and only in this way, within the framework of liberal theory, progress is possible (Jackson, Sorensen 2013, 101). These generalizations are important to get closer to the main framework-building theoretical points of this work, because the process of 'crafting' a discussion platform it is not an easy task – all major theories and sub-theories of political thought are interrelated, providing for a relatively high degree of theoretical interoperability. Objectively, such a factor does not make the process of establishing a solid theory-based discussion very simple.

As noted, this research attempts at framing its discussion from neoclassical realism, keeping in mind some tendencies that are common for the structural realism-driven way of theorizing. An

essential theoretical construction that usually used for explaining China's behaviour in international relations is linked to a discussion on revisionist or power-maximizing states and states supporting the *status-quo*. In a relative way, this concept was defined by Randall Schweller, a representative of the school of neoclassical realism. Certainly, both 'defensive' and 'offensive' realists had plenty to say on the topic as well. On the 'defensive' side, Kenneth Waltz proposed that all states' policy aims at maintaining the *status quo*, and, according to him, states strive to accumulate only the amount of power necessary to maintain their security and survival (Waltz, 1979, 126). In this case, the accumulation of power is not a goal in itself but a means of achieving state security. According to this view, the state's aggressive and expansionist behaviour often turns out to be counterproductive, as it generates coalitions aimed at neutralizing it (*Ibid.*; Schmidt 2007, 55). The 'guru' of the 'offensive' realism, John Mearsheimer (2001, 21), on the contrary, believes that all states are revisionist since their policies are aimed primarily at increasing their own power at the expense of rivals. The accumulation of the maximum amount of power in his understanding is the best way to ensure the state's survival in an anarchic international environment, and therefore the "structure of the international system encourages states to pursue hegemony" (Mearsheimer 2001, 12). Thus, all great powers pursue revisionist goals and pursue expansionist policies.

Schweller, however, while making a conclusion about the existence of both states that maintain the *status quo* and care about their security and revisionist states striving to maximize their power, notes that the identification of states with one type or another does not depend on goals or external politics but the results of their actions. States with revisionist goals are not always actively involved in changing the existing states of affair; they may be temporarily passive since they may lack the economic, military and/or political power to challenge the states that support it (Schweller 1998, 22). Therefore, they can act in a similar way to states that maintain the *status quo*. To be discussed further at length, other representatives of the neoclassical school of realism believe that there is a direct connection between systemic constraints and states' behaviour. In their opinion, systemic variables are refracted through variables arising at the national level. First, these are ideas about the balance of power of those who make foreign policy decisions (Rose 1998). Secondly, there are differences in the political structure of states and relations between the state and society, which affect the state's ability to use national resources to implement foreign policy goals. For example, Fareed Zakaria (1998) argues that "the statesmen can even expand the nation's political interests abroad when they perceive a relative increase in state power". Thirdly, these are the

interests of states and their motivation, which differ from country to country (Rose 1998, 147). Schweller (1998), on the other hand, re-introduced the category of state interests as an essential variable between the structure of the system of international relations and the state's behaviour. He argued that the mismatching motives of different states largely determine the nature of relations and the possibility of concluding alliances between countries. From this point of view, the compatibility of political goals seems to be the most critical factor influencing the choice of foreign policy partners and rivals.

The vision above, presented by the school of neoclassical realism, claims that the objective need for the state to accumulate its power is not the ultimate destination to 'arrive' at, but rather a primary means by which the state tries to control and shape the environment, in which it exists comfortably and wants to continue existing in the same way. Closer to the context, from the beginning of its formation, the PRC's foreign policy strategy's primary goal has been evidently focused on strengthening the status of a major (great?) power, which China decisively lost during the Opium wars of the mid-XIX century. This goal has remained unchanged throughout the history of the PRC, only the means of achieving this goal have changed: the revisionist strategy under Mao Zedong and the strategy aimed at integration into the existing world order established by the Western powers today have been replaced by a more nuanced, confident as well as diverse position on the world arena, which allows China to be undisputedly treated as a regional power in East Asia, while claiming a very special position globally.

Arguably, modern China's foreign policy is global in scope, representing a complex combination of a wide variety of traditional as well as new methods and mechanisms, still tightly interlinking ideology and philosophy (Sun 2016, 231-232). As declared, its main contemporary goal is to promote President Xi Jinping's doctrine on making "China prosperous and strong", working together "to build a global community", and committing towards making "Chinese contributions" to global governance (Xi 2017). Therefore, there is a likelihood that the future of China is inevitably and, most probably, irreversibly, becoming more closely connected with the international community. It appears to be that China cannot afford continuing its positive development being in isolation from the rest of the world, and the world may not be able to reach a higher level of stability in development without China being its integral part. As argued by Zhang (2019, 9, 13, 15, 23), the global scale of diplomacy is indicated by the Chinese side's consideration

of the country's development only in the context of interaction with the international community as a whole. China is aiming to restore its international status to an as-yet-unspecified rightful position. It is evident that China rubs up against the political West's established dominance since the dawn of the modern era. There is a tremendous multi-vectored attempt to have a global multi-polar redesign of the existing international system (Shambaugh 2013, 4-5). With its Belt and Road Initiative (BRI), China tries to exhibit these practices on the international stage (Leverett, Bingbing 2016, 112), and, apart from some classic observations coming from the side of offensive realists (Mearsheimer 2005), it can also be treated in a more constructivist way, recognizing Beijing's prospective effectiveness in coordinating global efforts to overcome regional and universal threats. Promoting a particular strategic narrative, China is often treated as trying to take advantage of democratic systems' openness (in other words, softness) in order to influence and even manipulate different countries, which in the end result creates favourable conditions mainly for China (Walker, Ludwig 2017, 20). Therefore, yet another attempt to discuss China's influence-focused efforts within a typical frame of 'soft power' may be already out of date as well as effective analytical fashion. In such a context, therefore, since China possesses an impressively diverse range diplomatic tools, an observation on trends in the development of Beijing's foreign policy in the framework of post-bipolarity is of a particular relevance for the field of international relations. If and when China goes 'soft' or 'sharp' (leaving the 'hard' side for a different discussion) but achieving a considerable level of flexibility in delivering its strategic message through, what practical mechanisms does the country engage?

This paper argues that, in the process of implementing its foreign policy, China employs a highly flexible and easily substitutable **diplomatic practices** (be it conventional or public diplomacy-associated), while **attempting to balance between soft and sharp** applications of different mechanisms. By doing that China exhibits its foreign policy as a direct consequence and, simultaneously, as one of the causes of changes that are being made to the contemporary international system. In general, this material analyses a set of principles of modern Chinese diplomacy, its new features and civilizational-historical continuity, patterns, evolution, and common and peculiar moments in communication with different actors. This research work's value-added component for the grand-debate is aimed to be at offering a particular methodological approach to be able to **systematically as well as timely determine those adjustments** made by China to its foreign policy, while familiarising the field with the country's modern diplomacy tools

that are under-researched by the Western schools of political thought. On a concrete note, with the help of discussional framework-focused literature review, case studies of different sub-regional approaches in foreign policy implementation, process tracing and discourse analysis of key presidential speeches, the following tasks are planned to be solved:

- 1) To show the changing role and place of China in its immediate region and, to an extent, globally.
- 2) To observe responses of countries, which are located in China's immediate neighbourhood, to China's foreign policy implementation, especially at a time when China makes adjustments to it.
- 3) To research on China's partnerships with and within different international organizations and frameworks.
- 4) To detect China's strategic objectives in the region and far beyond and determine its diplomacy's distinguishing features and qualities that are valid to the context of this study.

In the course of the research, the following questions are to be answered:

- 1) What factors influenced the formation of Chinese foreign policy concepts and how they corresponded to the tasks of the Chinese state in different historical periods of the country's development?
- 2) What kind of diplomatic practices does China employ?
- 3) What are the situations when China applying the 'switch' between the 'soft' and 'sharp' practices, and what kind of instrumentarium is used?
- 4) What is the level of their effectiveness, and how they were embodied in specific situations?

Apart from these introductory noted, this dissertation consists of three chapters, conclusive remarks, and the list of references. The first chapter introduces the information-analytical form of theoretical takes on 'soft' and 'sharp' power, which contributes to the material's discussional framework. The second chapter examines the main priorities of PRC's foreign policies of the past and present leaders. Additionally, the main features of contemporary foreign policies and diplomacies. The third chapter is predominantly discussional, and it examines the findings against the claim, attempting to test the specified argument of whether or not China is indeed balancing

between being ‘soft’ and ‘sharp’ in its every-day diplomatic *routine*. The discussion is exemplified by China’s practical implementation of its strategic objectives in the APR.

In order to conduct a comprehensive analysis, this research looks into both material resources of the leading actors and the geo-strategic structure of the region in focus (as per the realists’ tradition) but also into their influence, soft power-bound measures, and the impact of the region’s stability received out economic cooperation (the paradigm of liberalism). Besides, there is a help for this research offered by a range of thought on perceptions of a potential regional leader by other countries in the region. Foreign policy strategies of key players aspiring to the role of a leader and their vision of the regional order and the region’s countries’ reactions to these strategies and relations between nations (constructivist paradigm), additionally paying attention to a region-bound role.

As an empirical bonus, this dissertation analyses the APR as a region, emphasizing its core interests on development and observing its main problems as well opportunities. Moreover, this research keeps in mind that the United States, as a core element of the existing and a major element of any upcoming international system, can be treated as a factor (intervening variable, moderator, catalyst or any synonyms-substitutions to these notions) that dramatically influences the APR and, to a detectable extent, Chinese balancing between the ‘soft’ and the ‘sharp’. Methodologically, in order to capture the underlying Chinese strategy, a more analytical approach is required, such as systemic internal factors that distinguish the intentions and means when targeting a specific country, framing the process politically or in an economic context. For example, the current Chinese leadership’s discourse on the *intra*-China concept of ‘Chinese Dream’ is assumed in this research as being indirectly relevant to the process of foreign policy implementation. In short, this research focuses on Chinese coercive and influence operations and many other intervening variables such as history, culture or ideology, economically-driven, geography, functioning institutions, and relations between power and society.

1. THE PHENOMENA OF SOFT AND SHARP POWERS AND THE CONTEXT

1.1. World Politics as a Three-Dimensional ‘Game of Chess’

The concept of ‘power’ in interstate relations has several different meanings and many more connotations. Since ancient times, the emergence of statehood and for millennia, the power has traditionally meant military power, being associated with physical violence and warfare. However, in the XX century, science and science-driven technological progress added new dimensions to power resources. The ‘militaristic’ perception of power gets often replaced by a new, rethought, and well-disposed understanding – ‘soft power’. Objectively, the latter notion is based on the principles of mutual sympathy of international relations subjects, which helps to strengthen the influence of the state based on its positive image. The power of coercion fades into the background, giving way to the power of attractiveness. According to Joseph Nye Jr. (2004, 4), “the agenda of world politics has become like a three-dimensional chess game, in which one can win only by playing both vertically and horizontally”. In the upper dimension of the board – the sphere of classical interstate military issues, the primary importance is attached to the state’s military authority. It also can be described in traditional terms of unipolarity or hegemony. In the middle dimension, the sphere of interstate economic issues – economic power.

With the transition to the information society and the gradual processes of globalization, prosperity in these two areas has become insufficient. A third, lower dimension of transnational issues has emerged, such as terrorism, international crime, climate change, and pandemics. Achieving favourable results in this dimension often requires the use of soft power mechanisms, that is, attracting new supporters to their policies to solve global problems. Moreover, activity in the framework of the third dimension in the modern international environment is becoming the most

productive (*Ibid.*). This set of issues is now intruding into the world of grand strategy and shows that we are not living in a unipolar world, but rather, the distribution of power is multipolar.

According to Nye (2004, 5), the essence of soft power is the state's credibility and attractiveness. Countries strive to create an attractive image and form political preferences and views of other states through persuasion and attraction rather than coercion to be more consistent or have a favourable view of the growing power. The desire for legitimacy, leadership, and authority is what forces states to pursue foreign policy today, using non-military approaches and incentives. The fundamental concept of soft power was the term attractiveness, which was also reflected in Nye's definition of 2011. In his seminal *The Future of Power*, Nye (2011, 20-21) defines soft power as "the ability to influence others through co-optative means of shaping the agenda, persuading and provoking positive attraction in order to obtain preferred outcomes". Today, one can argue that when the interdependence of countries is too high, the state's foreign policy potential is measured not by the amount of military equipment, not by the range of missiles, but by its development model's attractiveness. The inability to use soft power to attract other countries into their sphere of influence is a losing path and may decrease the state's role in international affairs. Therefore, the importance of soft power will increase in the more nuanced information age, and countries with multiple communication channels that help outlining issues are likely to be more attractive and gain soft power (Nye 2004, 31).

Evidently, soft power allows the state to achieve the desired results in foreign policy activities without using military power and other methods of violence. The phenomenon of soft power can be directly related to the process of globalization as, in part, a social and economic by-product, being a widespread phenomenon that cannot be objectively stopped or even temporarily curtailed by any of the states (Nye 2004, 32). Therefore, international relations should be based on mutually beneficial cooperation and the maximum integration of participants. Soft power uses an attraction to shared values and the justness and duty of contributing to those values' achievement (Nye 2004, 7). According to Nye (2011, 84), soft power rests heavily on three primary resources: its culture (especially, its most attractive aspects), its political values (that are followed both home and abroad), and its foreign policies (when it is seen as legitimate and has moral authority). Culture, as the first and most precious resource of soft power, is a combination of values that determines the basic principles of society. When the country's culture includes universal values, and the state's

policy is aimed at disseminating the proclaimed ideals and interests that are shared by residents of other countries, this increases the possibility of obtaining the desired results due to the disposition of others. If the culture is based on small social groups' values and interests, then this probability becomes almost impossible. A cultural appeal, although it is an integral part of soft power, is not at all equal to it. Culture is often a resource that produces soft power, but the effectiveness of any resource – this also applies to mass culture, depends on the context of the situation. Accordingly, one way of disseminating cultural property is trade, because many ideas and values are spreading around the globe, with goods and services (Nye 2004, 13).

To sum up on the soft power-associated instrumentarium, the interdependence of government policy and soft power is contradictory. The government can both strengthen and squander the soft power of the country. Directions of domestic or foreign policy, which for an outside observer look hypocritical and indifferent to the opinions of others, or are based on a narrow approach to determining national interests, can undermine soft power. The same could be applied to the cultural aspect. When the country's culture includes universal values, and state policy is aimed at disseminating the declared values and interests that are shared by residents of other countries, this increases the possibility of obtaining the desired results due to the disposition of others. If culture is based on small social groups' one-sided values and interests, then such a probability becomes almost impossible. Therefore, soft power is the ability to get to results through attraction, not coercion or bribery. It arises from the attractiveness of the country's culture, politics, and ideals when the external and internal political lines of a particular country are considered by the world community and its members as legitimate, its soft power increases.

In regards to China, considering the universality and correspondence of Nye's theory to the interests of any countries, groups, or individuals can be refuted by the variety of national approaches and strategies of the soft power of Oriental states, which are increasingly involved in the competition for attractiveness, including philosophical one. An analysis of this competition, which is gaining strength, as several researchers have noted, makes it possible to detect, instead of a universal concept, the emergence of strategies with clearly expressed national specific features of a country, complementing and often significantly modernizing the original idea (Heng 2010, 290). Therefore, to be able to conduct a comprehensive analysis of the policy of soft power and how China utilizes soft power with national specifics, it is necessary to highlight the main

directions and the main areas of its implementation used by China – the subject of soft power, taking into account its unique characteristics and distinctly detected political priorities. In the next chapter, this material discusses the problems of the interpretations and ground concepts of soft power and the implementation of soft power in practice by China.

1.2. A Soft Power with Chinese characteristics

The growth of modern China's economic power contributes to the development of Chinese influence and therefore, strengthening its foreign policy positions in the world. Not only does a strong economy provide resources for sanctions and payments, but it can also be a source of attractiveness (Nye 2004, 7-8). Attempting to realize that, as argued by Myungsik and Elaine (2018, 46) and Mingjiang (2008, 290), representatives of the Western powers became very critical of the Chinese political regime and how China tries to attract the world with its traditional culture and values, distribute as much as possible information about its rich cultural heritage and establish itself as a peaceful and responsible participant in international relations. After Nye had been extensively elaborating on the concept, the concept of soft power received plenty of attention from China-based, Chinese scholars as well different government departments who offered various interpretations of the phenomenon (based on existing cultural resources and ideology) and eventually built it into China's foreign and domestic policies (Sun 2016, 232). Intriguingly, the concept of soft power formulated in the West is frequently reflected in the official Chinese government declarations. Mingjiang (2008, 288-289) notes that this concept, its capabilities, and prospects for use to ensure national interests are actively discussed in the political and academic circles, popular newspapers, and the PRC's political elite. According to the former diplomat at the Chinese mission to the EU, Wang Yiwei (2008, 258), only a few notions out of the West-originated theories of international relations (nearly all of those are of the West's origin) have penetrated so widely and deeply into Chinese rhetoric in recent years. However, one can argue that its development is not limited to simple copying or mechanical borrowing of the original model's provisions; instead, it is about numerous improvisations on a common topic (Breslin 2011, 7). Therefore, Nye's statement regarding the universality and correspondence of his theory to the interests of any country, group, or individual can be refuted. Different Oriental states use various national approaches and strategies of soft power, which are increasingly involved in the

competition for attractiveness. Instead of being a universal concept, the emergence of strategy with clearly expressed national specific features of a country complemented and often significantly modernized the original idea (Heng 2010, 290).

1.2.1. Official Rhetoric

The emergence of soft power in China's official strategic narrative could be associated with the speech of the then President Hu Jintao who emphasized the concept at the 17th CPC Congress, in 2007. It was framed around the need to "enhance culture as part of the soft power of our country to better guarantee the people's basic cultural rights and interests" as opposed to promoting a socialist political ideology and political values. Essential tasks were the formation of a "harmonious socialist society" inside China and built a "harmonious world" (Hu 2007). The slogan of "harmony" soon entered the official ideology and became one of the symbols of Hu's era. A distinct call on increasing the role of a cultural component in Chinese soft power formation marked the consolidation of soft power policy as an integral element of China's foreign policy (Hu 2012).

It could be argued that one of the aims of such a take on the phenomenon was the desire to avoid a direct clash with the USA, which could occur if the formulation had a value reference. Moreover, the Chinese leadership felt that at that time, the country was not able to offer the world such ideological concepts and values that could compete globally with the American ideals of freedom and democracy (Nye 2009, 27). Arguably, China emphasized various development paths based on different values, but which it wanted to present as striving for harmonious coexistence.

Based on President Hu's official ideological concepts in 2007, it is possible to single out separate argumental lines of soft power policy, mechanisms, and tools for putting these into practice and classify into seven groups. Promoting the study of the Chinese language, promoting traditional and modern Chinese culture, developing educational exchange programs, expanding economic ties, public diplomacy, participation in international organizations' activities, and politics within the national diaspora. With that, PRC's assertiveness grew and will to be more influential in the international arena became more evident. As a result, the emphasis was placed on cultural and historical motives, ideas about the Golden Age of imperial China, pan-Asian values, and hidden anti-Western sentiments, which skyrocketed from 2008 onwards. One can argue that this activity

may have also been provoked by a growing USA presence in the region, which contributed to China's perception that its positions are being threatened (Turcsanyi 2014, 65).

Therefore, it appears to be that China does not perceive the idea of soft power as an external, 'western' concept, but rather as a reference point to its own intellectual resources. In PRC, soft power is a powerful political tool to enhance its political influence, and it rather complements the country's hard power. Traditional Chinese culture is characterized by two distinct strategic cultures, including the opposites like *zheng* (being pro-active militarists) and *qi* (peaceful), postulated by Sun Zi in the Art of War. It possesses a long history and a wide range of traditions, symbols, and textual records (Zanardi 2016, 431; Turcsanyi 2014, 63). The origins and values inherent in traditional Chinese culture can be found in Confucianism, Taoism, Buddhism, in the notion of winning respect through virtue, benevolent governance, peace and harmony, and harmony without suppressing differences. Chinese culture, which stresses the giving priority to human beings and harmony between nature and humankind, could even provide alternatives in the era of environmental degradation, confusion in social ethics, and international and regional conflicts (Mingjiang 2008, 292). Therefore, it has become desirable to incorporate soft power-associated ideas into Chinese culture and the country's political thought. Nevertheless, to all the virtuousness, Confucian acceptance of righteous war can be applied to many situations (Turcsanyi 2014, 64; Richardson 2008, 36) – for example, the country's actions concerning the South China Sea (SCS) disputes.

Additionally, despite power being usually utilized by states, the non-governmental sector is as well an essential generator of soft power and is generally facilitated by states (Nye 2004, 31; Heng 2010, 280; Vyas 2008). However, the critical feature of the PRC's policy in the field of soft power is the exclusion of NGOs from the process of influencing the development of its priorities. Arguably, the insufficient presence of Chinese NGOs in the international arena and the under-development of civil society prompted the state to act. After all, it is the state that determines the priority areas of the soft power strategy, releases orders for analytical work on this issue, and allocates resources to implement the planned measures (Heng 2010, 284; Nye 2009, 27). In 2012, when Xi Jinping was elected as the Communist Party's General Secretary, he proposed his conceptual interpretation of the 'Chinese Dream'. It expressed the desire to improve China's foreign policy and create conditions for the further rise of China. The Chinese Dream contained a

course towards “reviving the nation, improving the quality of life of the population, creating a new society, and strengthening the military potential of the state” (Xi 2014).

Still, Xi was not the first Chinese leader who used the term of rejuvenation to remind people of past glories. Deng Xiaoping, Jiang Zemin, and Hu Jintao also used the same or similar notions to talk about great rejuvenation. However, in the post-Mao era of reforms, opening up and double-digit growth for more than two decades, as rising through party ranks, Xi had a front seat to experience the country’s growing challenges – the CCP withdrawal from the ideological centre, massive corruption, the decline of public goods, and even the economy needed new reforms (Economy 2018, 4-5). Therefore, it can be argued that Xi had also widely parted with previous Chinese leadership visions using soft power and started to incorporate additionally manipulative mechanisms, which are evident in today’s China foreign policies.

1.3. ... and the Implementation of Public Diplomacy

In the XXI century, it became apparent that the priorities and the tasks of the practical implementation of foreign policy cannot be successfully implemented by using military power to solve existing problems. Now hard (military) power has not entirely lost its significance. Nevertheless, the phenomenon of soft power and public diplomacy are becoming more widespread in practice. It is perfect for successfully solving various international problems. Therefore, it is possible to achieve the desired goals with less cost. In practice, however, it is essential to achieve success in the economy, ideological persuasiveness, and features of the country’s cultural attractiveness.

Turning to the prospectively practical implementation of China’s soft power line, one should mention, among other things, the network of Confucius Institutes (CI). This organization first appeared in the Republic of Korea (ROK) in 2004 (Li 2012, 2). These are large, developing cultural and educational projects that exist all over the world. These educational institutions’ mission is to ensure the growth of understanding of the Chinese culture throughout the world to establish friendships with various other countries. As of 2020 (Confucius Institute/Classroom...), there are 541 in dozens of countries on six continents and according to Harting (2015, 247), the

CI could be described in three different ways: a) they can be understood as an instrument of China's soft power; b) they can be understood as an instrument of China's public and cultural diplomacy; c) there is a line of scholarship that sees CIs as a 'propaganda project' of the Chinese leadership.

Public diplomacy is broadly understood as a country's engagement and communication with foreign publics (Wang 2011, 3) and has long been very controversial. Initially, Edmund Gullion introduced this concept into the sphere in 1965 and was analogous to such a concept as propaganda. However, it underwent a significant rethinking over time due to its negative connotations (Gurgu 2016, 126). One of the founding fathers of modern American public diplomacy, Hans Tuch, defined public diplomacy "as a communication process of the government of a country with foreign audiences, trying to explain his ideas and ideals of respective nation, its institutions and its culture as well as national interests and policies" (Tuch, 2010; Gurgu 2016, 127).

In the case of China, one can assume its will to re-build and project its soft power through different mechanisms of communications. Therefore, the portrayal of public diplomacy by Nicolas Cull (2009), according to whom the implementation of cultural diplomacy is an essential and promising direction in public diplomacy that exists now, which is primarily focused on establishing relationships between states in the field of culture and various other similar areas. In his seminal work on the issue, Cull (2009, 10) identified six different types of components:

1. **Listening.** The search in practice for specific information necessary in practice is the most crucial task because, on this basis, the current public diplomacy strategy is built upon.
2. **Advocacy.** The popularization of various types of values existing in practice, explanation of steps taken in the sphere of politics, and carrying out other information activities ultimately make it possible to change in the right direction the idea of the state existing in society.
3. **Exchange.** The admission of international students and specialists from abroad ultimately allows them to establish new ties with the scientific community and learn about the country's life from the inside.
4. **International broadcasting.** Today, the programs broadcast to viewers from abroad are a significant and valuable source of news directly related to the country.

5. **Cultural diplomacy.** The gradual somewhat active stimulation of interest in the language and art and other areas of activity of another country ultimately leads to the gradual provision of a much more profound mutual understanding between representatives of different countries.
6. **Psychological warfare** is, in fact, the most critical component that can be applied in practice in various emerging crisis situations, of which there are many.

Ideally, all the available constituent components of public diplomacy, the first five at least, should be harmoniously connected with each other. Simultaneously, it is essential to pay more attention during the initial formation and subsequent implementation in practice of the concept of public diplomacy in the country. All states, given some real features and capabilities inherent only in them, to a greater extent, use in practice only a few of the most important and essential for all components.

Therefore, the author argues that a good reputation ultimately gives the opportunity to always look worthy. In reality, it is almost impossible to form a reputation it can be earned through thoughtful policies. If earlier, it was about words that needed to replace the negatively perceived propaganda, now the implemented public diplomacy is understood as a more complex sphere in terms of its goals and applied means. So, in practice, public diplomacy sets itself the task of holding various types of events and includes studying the public opinion of a particular country and forming a policy in relation to it. The discrepancy between theory and practice, which is inherent in propaganda, negatively affects its perception. On the other hand, public diplomacy avoids this in every possible way.

1.4. Sharpening the soft

Since the end of the Cold War, the West has concentrated on integrating non-democratic regimes into a rule-based international system. However, this approach did not turn out to be a great success of relationship-building. Instead of reforming the way it was suggested, China and several other leading regimes deepened their authoritarianism. Intriguingly, a hyper-globalised world is a fertile platform for exporting anything (including authoritarian approached) to anywhere. Although autocratic countries are now largely integrated into the global system, they have not become more

transparent and accountable. Instead, they have developed policies and methods to undermine the progress of what the West understands as liberal democracy or, for example, just democracy. Using the opportunities offered by globalization and integration into open societies, these countries seek to change the institutions and arenas that welcome them.

Through its BRI and other inclusive cooperative methods, Chinese leadership is increasingly focusing on influencing and shaping the foreign policy environment. In particular, the Beijing authorities have practiced economic leverage as an influence operation tool to force others to play by its rules. Beijing's approach is to reduce, neutralize, or prevent any challenge to the regime itself. Its government-funded research centres, media, people-to-people contacts, and the Confucius Institutes often mimic civil society initiatives that operate independently of the government in democracies (Walker 2019). At the same time, local partners and other democracies are often unaware of the logic of China's foreign policy and the strict control by the Chinese authorities over social groups, the media, and political discourse within the country. Authoritarian regimes are not engaged in public diplomacy as democracies would understand it. They appear to be pursuing more malign objectives, often associated with new forms of outwardly directed censorship and information control (Walker, Ludwig, 2017, 12). In a seemingly public diplomacy-associated fashion, China's recent educational and cultural initiatives are accompanied by an authoritarian determination to monopolize ideas, suppress alternative narratives, and exploit partner institutions (*Ibid.*, 13). Unlike soft power, designed to softly charm target countries through attractiveness and shared value, these efforts can be seen as sharp in the sense that they are undoubtedly seeking to manage their target audiences by manipulating or poisoning the information that reaches them (*Ibid.*). Thus, according to Walker and Ludwig (2017, 6), the "authoritarian soft power is better categorized as sharp power that pierces, penetrates, or perforates the political and information environments in the targeted countries".

Outside of China, the devastating impact of sharp power is increasingly being felt in critical areas, including publishing, culture, academia, and the media, sectors that are essential to democratic regimes (Walker 2019). As argued, the purpose of China's influence can be seen as in attempting to reduce, neutralize, or prevent challenges to its preferred self-presentation and its position (Walker, Ludwig, 2017, 18). Restricting or suppressing public debate on issues that the Chinese one-party regime considers undesirable is an essential feature of Chinese sharp power.

Therefore, it can be assumed that China uses a very diverse set of tools that include not only soft and hard power but sharp power as well. The ability to influence others to obtain the desired result, but not by others' attraction like soft power, but by influencing others, by dispersing and manipulating information (Nye 2018) in order to achieve its goals. Consequently, one can argue that governments often try to use sharp power to guide, buy or coerce political influence, and try to control global discourse on sensitive topics through non-transparent and questionable, or even completely illegal means.

From his side, Andreas Fulda (2020, 212) argues that the sharp power should be considered as an extension of its united front method, a conceptualisation of the political process as a zero-sum game, and a world-view that distinguishes between friends and enemies. A governing approach as a two-pronged process of simultaneous co-optation and coercion. Carrots and sticks are applied to suppress any political opposition to the party-state rule. In the case of CCP rule in mainland China, the party-state has tried to win over waverers by adopting a 'rule by bribery' approach. Those unwilling to align themselves with the party-state have been at the receiving end of a 'rule by fear' approach.

In times of globalization, democracies find it much more challenging to counter indirect influence on open societies. Since in the hands of autocracies, various levers allow, without entering into direct confrontation, to influence democracies from within, affecting their social and political life, education, culture, and media (Walker 2018, 10). According to the central empirical prediction of neoclassical realism, over the long term, the relative amount of material power resources countries possess will shape the magnitude and ambition of their foreign policies (Rose 1998, 152). In other words, as China's relative power rises, it will seek more influence abroad, and in order to obtain that, China will probably practice different mechanisms of balancing between soft and sharp power to somehow hide their malicious intentions. One of the reasons for this can be the very openness of democracies, and information technology's potential to create new vulnerabilities are readily exploited by authoritarian regimes. Besides, as authoritarian regimes entered the global economy without sharing liberal values, according to Walker (2018, 11), the economic sphere also turned out to be one of the fields for the spread of influence, a tool for getting others to play by its rules, which in the case of China is relatively evident.

Moreover, sharp power is often described also as interference in internal affairs through covert operations, subversion, causing political dissent with false information, and influencing and manipulating public opinion through deception (Walker 2018, 12-13). Sharp power difference from hard or soft power is that it exploits the target state's internal pressure. As per neoclassical realists, foreign choices are made by actual political leaders, and so are their perceptions of the relative power that matters (Rose 1998, 147) and China understands it well. That means that the states use internal pressure to aggravate internal disagreements and force their own interests. To distinguish the sharp power, we need to look at the inner character of the rising influence. An authoritarian government is trying to subtly attract outstanding regional leaders from multiple fields, including politicians, academics, journalists, former diplomats, current government officials, and students through co-optation and manipulation. Thus, in the next chapter, this research is to provide more details on China's foreign policy's official rhetoric and how the country is trying to propagate its foreign policy-associated intentions.

2. PRC's OFFICIAL FOREIGN POLICY

According to generally accepted views of the rise and fall of great powers (in terms of shifts in the international balance of military and economic forces), China is a major power that is growing into a great one. Nevertheless, it remains an incomplete great power in a rapidly changing world where transnational non-military challenges and soft power sources are becoming increasingly important. As argued, China remains a developing country and still requires significant resources for its growing domestic problems and sustainable economic growth (Poh, Li 2017, 91). Therefore, the future of China as an established great power is still far from being decided. Ultimately, the critical issue in assessing China as a great power or its role or roles in the transition from a bipolar world to a multipolar one is its actions (Capannelli, Kawai 2014).

2.1. Main Priorities of PRC's Foreign Policy

As David Shambaugh notes (2013, 171), quoting Yan Xuetong, a prolific Chinese researcher and professor at Tsinghua University, “the main problem of China’s soft power is the absence of a clearly defined identity in the international arena”. One can partially agree with this statement and note that China, most likely, now has not only one but several completely different identities. Each of them is quite valuable and interesting and is implemented in various countries of the world. In carrying out its active cooperation with various developing countries of the world, the PRC will most likely try, one way or another, to emphasize that it has various features of a developing economy. Moreover, when interacting with developed countries, China can also act primarily from its economic weight. So, in each case, the implemented policy may be different.

In the framework of the concept of a harmonious world and peaceful development, China began to position itself as a great responsible power or, according to Kissinger (2011, 670), as a

“responsible stakeholder” or the country “in the international system which is living by its norms and limits and shouldering additional responsibilities in line with its rising capabilities”. The expansion of responsibility contributed to an increase in the international role of China and the more active participation of the country in shaping the image of the modern international system (Goldstein 2001, 836).

In 2012, in strict accordance with the legacy of Deng Xiaoping, the whole country was waiting for the start of the generational changeover of leaders amid the ongoing discussions about where China would go next. Since there have been apparent changes to PRC official foreign policy discourse since 2012. Xi Jinping (2012) spoke on the elements of a political game that would need to be noticed, discussing a range of pressing problems – the fight against corruption, social inequality, the development of ecology and culture. Moreover, according to the author, it could be argued that behind refined differences laid new political and ideological principles. Additionally, in January 2013, Xi introduced the category of “core interests” into his circulation, noting that China “must steadfastly take the peaceful development road, but this does not mean we do not protect our legitimate rights and definitely not sacrificing our core national interest” (Xi 2013). “Any foreign power that thinks it can get China to do a deal over its core national interest is delusional. It should not think China will ever compromise on sovereignty, national security, and development rights”. (Poh, Li 2017, 86). Evidently, it can be assumed that the “core interests” have already formed the foundation of China’s further foreign policy.

2.1.1. Xi Jinping and the ‘Chinese Dream’

According to Nye (2018), power sometimes depends not merely on “whose army or economy wins”, but also “whose story wins”. Accordingly, a strong narrative is a source of power. Therefore, one can argue that parallelly arranged, China is projecting its own strategic narratives to create a solid national identity domestically and seek to shape order, changing the system internationally. Narratives are regarded as vital to constructing political actors’ identities and how they perceive the world (Miskimmon *et al.* 2017, 5). An actor able to align system, policy, and identity narratives has a greater chance of influence (*Ibid.*, 3).

The new leader of the PRC and his team brought a certain level of creative novelty to the country’s foreign policy’s ideological component, presenting a new, globalized vision of the world by

Beijing and the role of the PRC in it. Arguably, the Chinese Dream is of immense importance in the modern era of Xi's leadership since there is a continuity of principles embodied in the idea of "peaceful development," the concept that it includes the tasks of both domestic and foreign policy grand strategy (Poh, Li 2017, 93). A report at the 18th Congress of the CPC stated that China would firmly adhere to the course of peaceful development, the course of independence, and the independence of foreign policy. Therefore, peaceful development and mutually beneficial cooperation could be seen as essential trends in the development of China's foreign policy.

Since the first mentioning, the Chinese Dream has been actively discussed. Gradually, this slogan has turned into a whole concept of China's long-term development, which has attracted considerable interest not only from Chinese but also from foreign scholars and politicians (Poh, Li 2017; Lam 2016; Zhao 2016; Hu, *et al.* 2018; Mohanty 2017). In a speech at the first meeting of the 12th NPC on March 17, 2013, Xi presented a more detailed plan for accomplishing the Chinese Dream and noted that "the Chinese Dream is national, a dream of the entire Chinese nation". The goal of the "Chinese Dream" is the great rebirth of the Chinese people". Xi Jinping saw the essence of the Chinese Dream in the "great revival of the Chinese nation", building a fair, middle-income society, leaving China beyond the boundaries of an agricultural society, achieving sustainable economic and political development of the country based on scientific and technological progress, innovative technologies, and the expansion of popular democracy (Xi 2013). Since domestic policy in China has always played a pivotal role in foreign policy, any of its innovations led to new foreign policy trends. For example, many observe Xi's assertive foreign policy as an extension of his weight on Chinese nationalism (Mohanty 2017, 23).

Such notions as the 'Chinese Dream', 'Asian Dream', 'Asia-Pacific Dream', and 'World Dream' have subsequently explicitly linked China's diplomacy efforts to this core vision (Poh, Li 2017, 85). Furthermore, it is pursuing the concept of amity, sincerity, mutual benefit, and inclusiveness on diplomacy with its neighbours (Hu, *et al.* 2018, 77). Building a new type of international relations with win-win cooperation, building a global network of partnerships, upholding "the independent foreign policy of peace, the Five Principles of Peaceful Coexistence, non-interference in the internal affairs of other countries and other fine traditions in China's diplomacy", adhering to principles such as "standing for a reason and justice and acting in an equal-footed way", and prioritizing "domestic development, reform, and opening-up". Summarising these statements

illustrates the top Chinese leadership's determination to expand China's influence both within and beyond the Asia-Pacific region (Poh, Li 2017, 86). Additionally, one can argue that the explicit link between China's diplomatic initiatives and Xi's vision on the Chinese Dream has also officially become a new facet of Chinese foreign policy.

Even if the 18th Congress of the CPC in 2013 marked a generational change, Xi Jinping and his newly appointed team, on the rhetorical side at least, continued with the tone of the previous party and leadership. The basic principles of foreign policy remained the same: peaceful development and cooperation in the economy, the search for common interests, consistency and perseverance in upholding one's interests, the ability to find compromises with partners, and mutual benefit (Hu, *et al.* 2018, 77). Additionally, the continuation to advance the noble cause of peace and the development of humanity. Therefore, this paper argues that the PRC's foreign policy has not transformed into something fundamentally new, and it has not become strategically different. Nevertheless, Xi has undoubtedly portrayed a much tougher image than his predecessors, and it was more offensive with the increasing importance of soft power (Poh, Li, 2017, 85-86). The primary function of Chinese diplomacy was to solve international problems based on the coordination of many participants' actions in international relations. However, these state-propped efforts to reshape China's image used limited effects to convince Western or even domestic and regional audiences due to the lack of persuasion and attractiveness. Therefore, animated projection but ineffective reception resulted in the 'sharpness' of China's strategic narratives.

With new trends in the world community's development, it can be said that PRC seeks to occupy the best possible position in the international arena. At the 19th CPC Congress in 2017, when Xi Jinping was re-elected as General Secretary of the CPP and in his three and a half hours marathon speech, there was one phrase that stood out. The phrase that "China has stood up, grown rich, and is becoming strong" and "it will be an era that sees China moving closer to centre stage and making greater contributions to mankind" (Xi 2017, 9), encapsulates, according to Elizabeth Economy (2018, 22), the three revolutions that China has experienced over the past 70 years. One may argue but this factor showed that President Xi regarded himself as being equal to Deng Xiaoping and Mao Zedong, with the latter two seen as revolutionary leaders who were trying to rejuvenate the Chinese nation (Lam 2016, 410).

The first revolution happened when Mao Zedong stood up against foreign invaders and created a contemporary CCP state. In contrast, the second revolution appeared when Deng Xiaoping initiated a wholesale reform of the country's economic and political system transformation. (Economy 2018, 6). However, the strategy Xi pursued is a little different from the previous leaders. Dramatic centralization of authority, intensified penetration of society by the state, strict regulations that control the flow of ideas, culture, and capital into and out of the country, and significant Chinese power projection (*Ibid.*, 10). Arguably, It represents a reassertion of the state in Chinese political and economic life at home and a more ambitious and expansive role for China abroad. Additionally, when former president Hu Jintao was interested in what other parties in the world were doing and if CCP could learn from them, Xi, though, from day one was full of confidence in the superiority of the CCP (Lam 2016, 411). The rhetoric that has emerged under Xi's regime has notably been marked by a strong sense of China's civilization achievements and historical experiences (Poh, Li 2017, 86), and, thus, reflects a relatively new two-pronged carrot and stick approach to Chinese diplomacy. However, according to China's official foreign policy think tanks (Cheng 2018, 131), it can lead to rising turmoil and sharpening contradictions between small and grand periphery, which in turn could lead to balancing against Beijing.

Furthermore, Xi introduced priorities in shaping China's foreign policy. Experts see the main innovation as a comprehensive personnel rotation, which provides for an objective increase in the weight of Xi Jinping himself, which may entail a further increase in China's activity in the international arena in both the military-political and financial-economic spheres. President Xi outlined the following three critical directions of China's foreign policy strategy:

1. Military direction. PRC plans to strengthen its army and focus on naval forces (Hu *et al.* 2018, 54-55). This priority is related to the critical interests in the Asia-Pacific regions, e.g., relations with Taiwan, territorial disputes in the ECS, and the SCS (Poh, Li 2007, 86).
2. The Eurasian or "going out" foreign policy. In recent years, China is actively promoting its BRI (Hu *et al.* 2018, 86; Hu, *et al.* 2017, 88). This project has exceptionally high prospects in connection with the refusal of US President Donald Trump from the Trans-Pacific Partnership (TPP), which was a competitor for Chinese initiatives in the APR. Since, the PRC today can take on a leader's role in the region's trade and economic integration project.

3. The North Korean nuclear issue. China plays a crucial role in this matter, as it is the only state that maintains active trade and economic relations with the DPRK. Additionally, in recent years, China has played a more active role in the United Nations (UN) and has been incredibly supportive of multilateral institutions that it sees as crucial platforms to position itself as a responsible great power (Poh, Li 2017, 87).

Thus, the current foreign policy priorities after the 19th CPC Congress have their specifics, reflecting PRC's desire to strengthen its geopolitical position in the world arena through economic instruments, military policy, involvement in mechanisms of multilateral institutions and platforms. According to the author, it helps to build the platform for China to balance between soft, sharp, and, sometimes, hard power, expand its political influence, portray itself as a responsible power, and balance the 'presence' as well as dominance of the USA in the APR and then, of course, globally.

2.2. Features of Modern PRC Foreign Policy

Most scholars remain sceptical about China's soft power's potency and feasibility and whether China will be able to convert it into positive outcomes (Jain 2017, 132). China's hard power and soft power are intertwined and interconnected. Thereby, the idea that the current Chinese development model is a national soft power source can be assumed. On the one hand, contributing to the spread of ancient Chinese culture, which includes folk traditions and Confucian moral and ethical values, and on the other hand, trying to help to understand the essence of socialism with Chinese characteristics (*Ibid.*, xii). Building on the benefits of soft power, China seeks to deepen relations with all world regions, especially with developing countries in Africa, South America, the Middle East, Central and Southeast Asia.

The Chinese soft power policy concept is made up of specific mechanisms that form a favourable image of the country abroad. It appears to be that, in China's current foreign policy, ensuring a peaceful international environment is always a priority. Although Chinese foreign policy as a whole has not undergone fundamental changes, it continues to develop, enriched with new ideas. Therefore it is essential to understand a few features of modern China's foreign policies. It may

be argued that one of the essential features of China's current foreign policy is continuity, the hallmarks of which are multilateral diplomacy and development diplomacy.

2.2.1. Multilateral and Development Diplomacy

Multilateral diplomacy ensures universal security, prevents the international situation's aggravation, and strengthens global political and economic stability. China is a member of major regional organizations, including APEC, the East Asian Summit, the Asia-Pacific Security Cooperation Council, ASEM, and others. In Northeast Asia, the PRC is actively promoting six-party talks on the Korean peninsula's security issues. In Southeast Asia, China has pushed for the ASEAN-China dialogue and is actively participating in the ASEAN+3 (China, Japan, ROK) and ASEAN+6 (Japan, China, ROK, India, Australia, and New Zealand) (Dian, Menegazzi 2018, 96). In Central Asia, through the SCO, China evidently attempts at strengthening cooperation in the fields of security and political economy, keeping in mind where the BRI was initially announced.

For the whole continent of Eurasia and regions near the Indian Ocean, the concept of China's BRI was put forward and, with the time, it should have provided China with a new market for exporting goods, while perpetually stimulating the economic development of countries and regions along the project and contributing to prosperity and stability in the region. However, according to a report by the Centre for Global Development, eight BRI countries are exposed to debt crises. In 2018, Pakistan faced a balance of payments crisis (Chatzky, McBride 2019). The inevitable financial debt that is and will be always associated with the BRI's developments is creating a variety of concerns. In particular, the PRC's relentless pursuit of raw materials could lead to ignoring primary considerations as to the win-win nature of partnerships (Gravereau 2019).

Additionally, the Chinese government considers the Free Trade Zone (FTZ) economic initiative to be a new platform for further opening the country and accelerating domestic reforms. This platform is a practical approach to integration into the global economy. Strengthening economic cooperation with other countries and, in particular, serves as an essential complement to the multilateral trading system. Though, according to the American Chamber of Commerce in China, 75% of the American companies found no tangible benefits to locating businesses in the Shanghai FTZ, and only 12 out of 93 European companies indicated that they would consider expanding their involvement into another FTZ (Economy 2018, 119).

Alongside the BRI president Xi, proposed the creation of the Asian Infrastructure Investment Bank (AIIB) to promote the development and economic integration of the Asian region and stimulate financial cooperation. Bank investments should be directed to infrastructure projects in Asia. The creation of the AIIB could be regarded as an essential step for China in the framework of modernizing the international economic system. Currently, there are 87 countries that have already joined the AIIB (Kelley 2019). Japan, one of the leading countries in Asia, refused to participate in the creation of the AIIB, which they regarded as a threat to the existing international system structures (Wang 2018, 277). In the same manner, the U.S. Treasury department criticized the bank as a deliberate effort to undermine the World Bank and the IMF, which are dominated by the USA's suspicion that urges allies to stay outside, however after a host of countries joined, it extended a qualified welcome to the AIIB, albeit showing no desire to participate (Kelley 2019; Yang, Van Gorp 2018, 2 and 6).

Analysing the list of the AIIB member countries, one can recognize that Beijing skilfully engages its regional opponents into the orbit of beneficial financial cooperation even with the ones it also has certain political disputes. Vietnam and the Philippines – conflict in the SCS, India - border disputes and regional rivalry. There are indications that the days of the Western domination of international lending are coming to an end. Such a policy from one perspective demonstrates the flexibility of the strategic line of China. It shows the attempts to revive the Western liberal principle with the AIIB and the BRI's help – the domination of economic interests over political ones. AIIB provides loans to the countries along the BRI, helping them in the construction of infrastructure facilities, which should contribute to the gradual decay of PRC's production overcapacity: products of ore, concrete, and other construction materials, as well as high-speed railways, nuclear power (Kelley 2019).

According to official discourses, it can be said that China's foreign policy is based mainly on the principle of harmonious world order. The specifics of China's soft power concept is that it is based on culture and traditions (Jain 2017, xvii). Practice shows that Beijing has refrained from any actions that could lead to the emergence of new military conflicts. However, when it comes to territorial issues, Beijing takes a tough stance – disputes about the ownership of several islands in the SCS between Japan, Vietnam, the Philippines, and China. This sort of behaviour undermines not only its claim that it's a peaceful and law-abiding nation but also the legitimacy of its soft

power. The author argues that China's cooperation is critical to meeting the global economic, humanitarian, or environmental threat, yet its commitments are not always easy, and efforts are not comparable with its capabilities. Moreover, China is understood to be less reserved about asserting its interests when it believes that the country's economic or security needs are directly at stake (Economy 2018, 225).

One of the central elements of China's effort to advertise soft power through cultural events with a full view of the positive features of Chinese culture, emphasizing the achievements of the PRC, has been the establishment of more than four hundred CIs. Chinese government-funded institutes promote Chinese language instruction and cultural offerings worldwide. Nevertheless, there has been an extensive controversy regarding its academic integrity among western universities (Economy 2018, 220).

It might be argued that China has its own understanding of the development of interstate relations. The PRC diplomacy is changing following the needs of soft power – the number of summits has been increased as well as the qualifications of the next generations' diplomats who receive education at prestigious foreign universities. The penetration of China into the APR is also carried out through bilateral interstate ties and multilateral diplomacy. This trend contains political, economic relations, as well as contacts in the military sphere. One good example is that the PRC has established a strategic partnership with individual Southeast Asian states, and at the same time, with ASEAN as a whole. At a fundamental level, China's efforts to promote soft power are hampered by the nature of its political system, e.g., directly challenging the US and other liberal democracies as the political ideal. Yet, this kind of strategy has and can trigger a backlash from countries; for example, in 2017, the CCP attempted to influence Australian politicians through political donations (Economy 2018, 221) and meddled in the internal politics of New Zealand (Sahoo 2018). Consequently, Beijing's political objectives developed laws to safeguard the CCP's influence in local and national politics.

In short, for the successful implementation of the main goals of its foreign policy strategy, to increase the political influence, economic competitiveness, the attractiveness of the image, and the moral legitimacy of its decisions, it could be argued that, Beijing uses several mechanisms and

diplomatic tools to achieve the desired result in the country's priority areas. The author will take a closer look at several of them more closely.

2.2.2. Stratagem Diplomacy

The Chinese tradition of looking at power has been equally rich. Another, one of the most ancient tools of Chinese diplomats can be regarded a stratagem diplomacy, loosely defined as clever use of wisdom (Junbo, Yunzhu 1996, 2018; Turcsanyi 2018, 61). A plan aimed at solving a major foreign policy problem, designed for an extended period, and meeting the country's state or national interests. And since the primary national interest of any nation is to protect its sovereignty, the stratagem "pitting the barbarians against each other and enlisting faraway enemies against those nearby" (Kissinger 2011, 285) could be considered a reflection of stratagems in the principles of the PRC foreign policy strategy.

Today, while ensuring the implementation of stratagems, China is nonetheless trying to adhere to the principles, norms, and customs of international law. However, the perception and comprehension of other states' political practices seems still being carried out through stratagem prism. According to G. R. Berridge (2010, 1), modern diplomacy "consists of communication between officials designed to promote foreign policy either by formal agreement or tactic adjustment". Conducting international affairs, preferably through negotiations, as well as through other peaceful means such as gathering information or expressing goodwill that directly or indirectly involves negotiations than by using force, using propaganda or appeal to the law (*Ibid.*).

It could be argued, therefore, that Chinese diplomacy entirely fits into this definition since the art of negotiation is deeply embedded in culture due to historical traditions and the development of a Middle Kingdom. Negotiations remain an effective tool of Chinese diplomacy in building and regulating international relations, which allow them to achieve significant diplomatic and trade victories (*Ibid.*, 39). Thus, Chinese diplomacy represents a new perspective on cooperation and mutual respect. While using the classical forms through diplomatic representations and functions, Chinese diplomacy also uses unique aspects in international relations – a variety of technical means, multilateral diplomacy, diplomacy carried out at a high and the highest level, as well as track II diplomacy.

2.2.3. Strategic Partnerships

Of most considerable interest and the critical mechanism of modern Chinese diplomacy could be considered the institute of strategic partnership or hierarchy of relations. The creation of a system of alliances with various states and associations are nothing new to Chinese diplomacy. The international trips of Xi Jinping are a clear example of a proactive approach to managing relations with the rest of the world. In the first two years as a leader, Xi visited 32 countries across Asia, Australia, Africa, Europe, North America, and Latin America. This area of Chinese diplomacy aims to promote strategic interests, expand cooperation, and spread the influence of China in the world (Men, Tsang 12).

The idea of creating a network of partnerships has become a successful practice of consolidating and expanding China's relations with other countries. Using strategic partnerships and strategic dialogue, the Chinese leadership acts in the international arena more globally. At the 70th UN General Assembly, President Xi (2015, 3) noted that the time has come to create a global partnership at the global and regional levels and embrace modern interstate relations, "dialogue, rather than confrontation and partnership instead of alliance". Multipolarity remains a long-term objective of Chinese foreign policy (Cheng 2018, 49), and strategic partnerships constitute a necessary form of bilateral cooperation that serves their national interests by "joint efforts" (Pan, Michalski 2019, 270).

Partnerships have three characteristics. Firstly, they are based on equality, at which countries will treat each other as equals. Secondly, relations should be peaceful. Cooperation, consultations, search for mutual benefits, search for points of coincidence, or closeness of mutual interests. The third characteristic feature of the partnership is called "inclusiveness". It is necessary to overcome differences in the social system and ideology and strive to maximize the realization of common interests and aspirations (Xi 2015, 3-4). E.g., BRI, with emphasis on forming a "community of common interests" and a "community of common destiny" (Cheng 2018, 461). And at least 70 other speeches where this expression was articulated (*Ibid.*, 514). The main goal is the prosperous development and well-being of the region. At the same time, as argued, China rarely forgets one of its main principles – one needs to have as many friends as possible and considers strategic partnerships better alternative to alliances (Pan, Michalski 2019, 268). Therefore, with the help of

strategic partnerships, PRC tries to regulate relations with great powers. It might be argued that a strategic partnership has become the fundamental element of the concept of PRC's conventional security policy. China has built up a variety of strategic partnerships with very different international actors, few of which share China's worldviews. China does not even mind entering into strategic partnerships with two antagonistic states simultaneously, such as India and Pakistan. China holds that a strategic partnership means partnering states should pursue their respective strategic goals independently, which are not necessarily shared but should be mutually beneficial (Pan, Michalski 2019, 273).

The concept of strategic partnership is continuously evolving and modifying. Initially, the term partnership had approximately the same meaning for all partners of the PRC. However, today there is a diversified approach to states, depending on the degree of priority and importance of partnership for China, as well as on the degree of their willingness to help China achieve its goals (Pan, Michalski 2019, 268). It is probably not an overstatement to say that there are as many definitions of strategic partnerships as there are strategic partners. In the interpretation of Chinese political scientists, the following types of partnership models can be outlined, where political criteria rather than economic ones are of great importance.

The first group includes the highest form of partnership with Russia, Myanmar, Laos, Cambodia, Thailand, and Vietnam, e.g., comprehensive strategic partnership. Partnership status in relations with Russia has changed several times as well as with other named countries. Based on shared interests, partnerships are time-tested and not influenced by ideology, based on the unity or closeness of the two countries on critical strategic issues of international politics. Therefore, China and Russia can hold equal consultations and make mutual concessions. The mechanisms established with Russia are, evidently, comprehensive and have plenty of capacity to be effective. Relations with Russia are at their best and are found as a model of major-power relations (Zhongping, Jing 2014, 9; Pan, Michalski 2019, 275- 276; Cheng 2018, 244).

The second group of Chinese partners can be defined as friendship type partnerships or come-in-hand. China has no conflict of fundamental interests with these countries, but there are local territorial and other disagreements. They are bound together primarily by converging values, not

convergent interest (Pan, Michalski 2019, 277). Partnerships with ASEAN and the African Union fall into this category.

The third group is the EU and ASEAN countries. China has many common economic or convergence of interests with them, but there are disagreements on several essential issues, values, and territorial disputes also with individual ASEAN countries. China's relations with different ASEAN states demonstrate a specific hierarchy. More developed ASEAN-6, which arguably carry higher economic and military weights, have been given a lower diplomatic status than the less developed ASEAN-4. China's broad and diversified group of strategic partners demonstrates Beijing's growing ability to protect its core interests and shape the world order (Zhongping, Jing 2014, 14; Pan, Michalski 2019, 277; Cheng 2018, 243-245).

The final group consists of heterogeneous strategic partnerships, including Singapore, the Philippines, Brunei, the US, the ROK, India, and Japan, which see China as a potential strategic adversary. There are several long-term difficulties concerning them, on which the PRC has apparent disagreements. Additionally, it consists of mainly from a group of downgraded states when interest ceased to verge. E.g., Japan's nationalisation of the disputed Diaoyu/Senkaku islands in 2012, the ROK's decision to deploy the US-made THAAD system in 2016, and the border incident in 2017 between Indian and Chinese military in a particular border area in the Himalaya. Nevertheless, China has common interests with these countries in protecting peace, regional and global stability, and in developing economic, trade, and scientific and technological exchanges. A genuine partnership is possible through mutual efforts (Pan, Michalski 2019, 278; Cheng 2018, 243-245). Each group can vary in composition and number of participants, depending on the emerging relationship's nature, priority and importance. Though the calculations behind each strategic partnership vary, as a whole, they are designed to protect China's core interests and to construct a better environment for China's rise (Zhongping, Jing 2014, 17).

2.2.4. Economic Diplomacy

It may be suggested that economic diplomacy is another very effective way to develop China's foreign economic relations in terms of obtaining stable access to resources and markets, which is necessary to ensure economic growth. China's effort to transform itself into a reliable trading power capable of more significant international economic leadership requires implementing tools

and ideas associated with economic diplomacy (Heath 2016, 160). For Beijing, it is crucial to provide a favourable external environment for internal transformations and to prevent the economic dominance of another political and economic force in the region – the USA, Russia, or Japan. Economic diplomacy is called upon to support the international image and commercial purpose and serve political and strategic objectives (*Ibid.*, 163). Using various economic levers, Beijing encourages partner countries to consider Chinese politics' interests, associated with the degree of attractiveness of the authoritarian model and sometimes even through utilizing a different set of manipulative tools that may be regarded as sharp power. Additionally, it manages to set the international discourse of several countries' policies to build a global environment that is more favourable to protecting China's overseas interests (*Ibid.*, 164), e.g., AIIB, BRI, BRICS, APEC, direct investment, financial assistance, bilateral trade expansion, and the creation of an FTAAP.

Therefore, it could be argued that China's economic diplomacy is offensive and selective. Instruments of economic diplomacy, trade, active investment, financial assistance, and the creation of free trade zones are used as a set of rewards and a set of means of pressure on opponents. China used the incentive of trade and investment to advance diplomatic objectives for limiting Taiwan's international presence – in 2004, after China offered \$122 million in assistance to the Dominican Republic after it cut its official ties with Taiwan (Heath 2016, 168). The scope of Chinese economic diplomacy is quite broad, e.g., expanded trade, investment, energy, natural resources, and emerging exchange rate diplomacy (*Ibid.*, 169).

Since China's extraordinary rise, Chinese leaders began to realise that numerous economic and strategic drivers like the acquisition of advanced technology, reliable access to natural resources, developing trade, and overseas investment strategy are necessary to transform China's economic growth model (Heath 2016, 170). Therefore, to be able to move up the technological scale to more home-grown, high value-added industrial goods, China recognised the importance of the resource-rich countries in the developing world, as well as the importance of relations with technology-rich developed countries to secure the goods (*Ibid.*). Nowadays, for example, Beijing uses the same export restrictions on these particular resources as an instrument of pressure on many countries to achieve economic and political goals.

It might be argued that with the advent of the ‘fifth generation’ of Chinese leaders, Chinese diplomacy has changed from a significant trading country to a reliable trading power, associated with an increase in the international presence and improving the country’s image (Heath 2016, 179). As another China’s efforts to realize its transformation into reliable trading power was the renminbi (RMB) internationalization (Heath 2016, 179). Its scope was to stimulate the RMB’s use in trade settlements and international investment (Eichengreen, Kawai 2014, 16). This could be seen as an increase in the country’s foreign exchange reserves and an increase in the yuan money supply. However, China is aimed at the RMB’s active use for settlements in foreign trade and giving the RMB the status of another world reserve currency, a useful means to reduce dependence on the US dollar (Cohen 2018, 216). E.g., yuan trade settlement and issuing RMB-denominated bonds in Hong Kong (Heath 2016, 180). According to Helleiner and Korschner (2014), the decision to use currency in cross-border transactions reveals not just economic links but also the latter’s ability to project political leverage and power (Eichengreen, Lombardi 2017, 36).

Moreover, China is an essential source of growth in infrastructure and commodity-rich economies and one of the world’s biggest consumers of natural resources. Therefore, its task is to provide the country with reliable, diversified aluminium sources, copper, zinc, soybeans, and oil from abroad. To ensure their safe transportation and improve China’s growth, Chinese diplomacy focuses also on access to resource-rich countries in Africa, the Middle East, Latin America, and Russia through commodity diplomacy through investments into infrastructure like BRI (Economy 2018, 208). Nevertheless, after Xi, the focus moved more from natural resources to service and technology firms, which should support China’s rise as an advanced competitive economy. Therefore, Chinese investments are intensively diversified geographically. Chinese companies are no longer limited to Southeast Asian, Latin American, and African countries with abundant natural resources – they began to show increased investment interest in Europe and North America (Economy 2018, 209). Increasing the share of Chinese goods and maintaining and broadening the channels through which it obtains its foreign technology, capital, energy, and various other strategic resources from the international market. Consequently, through enhanced cooperation and the exploitation of resources, it penetrates the surrounding regions to establish an area of decisive economic influence (Men 2016, 319).

The growing international role of China's diplomacy is additionally realised by upholding, promoting, and shaping norms and standards within its relations with various government-to-government organizations of an economic and financial profile, and by the country's participation in major summits and forums (Hughes 2016, 283; Heath 2016, 181). China is increasingly involved in government-to-government organizations and forms coalitions with countries of shared concerns in order to shape international rules and standards related to trade and investment. China's progress in regulating exchange rates and its controlling in critical elements of a landmark WTO settlement on intellectual property enforcement (Heath 2016, 181) and, China's usage of its privileges in the UN Security Council in ways that often confront or offend the other major powers (Hughes 2016, 283).

Arguably, China's accession to the WTO provided the country with even a more favourable trade regime and, at the same time, set an algorithm for many internal transformations in the legislation and institution-building. Accession to the WTO has increased the security and predictability of trade with China while at the same time levelling the playing field for Chinese exporters (Mercurio, Tyagi 2012, 90). China's membership in leading world organizations by itself automatically raised its status. With the consolidation of economic power, Beijing itself began to take proactive efforts to increase its rank by defending and challenging specific selected measures of other significant and influential members of WTO, e.g., laws and regulations, using multilateral dispute settlement process to protect and promote its trade interests mostly with the US and the EU (*Ibid.*, 91). Despite apparent successes in transformation, China became an experienced and skilful user of anti-dumping practices. The misusing the machinery complaints about tit-for-tat retaliation is evident (Heath 2016, 181; Mercurio, Tyagi 2012, 119). The exclusion of Chinese fasteners from the EU market was challenged a few months later by China as the EC's improper application of anti-dumping duties (Zhou 2017, 5; Mercurio, Tyagi 2012, 121). Even though China's aggressive use of WTO law shows a willingness to abide by international law and to the decisions of neutral international arbitrators. It can still damage their political standing in the multilateral trading system and their economic and political outlooks.

Mutual political recognition could be closely associated with economic diplomacy, the essence of which is the development of economic relations using political means (Bayne 2008, 1). However, as Wang Yiwei (Heath 2016, 163) argues, economic diplomacy in PRC serves additional political

and strategic purposes. Economic diplomacy includes trade, investments, all forms of economic cooperation, diplomacy, military, and any other type of policy as long as the policy promotes economic gain which is important to China. It could be argued that it is designed to secure the resources, markets, capital, technologies, and skilled labour needed to sustain foremost national development. Economic and diplomatic activities include official meetings of heads of state and government, work in international financial organizations, negotiations at major economic forums, personal contacts of financiers, and lobbying for their country's interests.

Through economic diplomacy China is trying to participate more actively in creating the new international financial architecture, China is consistently expanding its presence in key international financial institutions. Becoming more active in making critical financial decisions within the framework of BRICS and ASEAN (Huang 2016, 319), and is widening foreign use of the RMB (Cohen 2018, 215). As an alternative economic and financial institution to traditional Western-backed regimes, China will finance infrastructure constructions and promote regional connections, economic integration and reflect the voice of China as well as other developing countries in making decisions at the IMF and the World Bank (Economy 2012; Danner 2018, 127-128), which should arguably help to influence the economic and political goals in the future.

2.2.5. Military Diplomacy

Another essential component of the overall diplomacy and the embodiment of the national defence policy in external relations is military diplomacy (Zhixiong 2018, 102). China's military diplomacy has been growing and is dynamic in practice, with a notable increase in the frequency and complexity of its activities with partners abroad. Since the beginning of Xi's era, China has entered a new stage and is using military diplomacy as an essential tool for advancing its overall diplomatic goals, safeguarding national security, and promoting the PLA's modernization. Therefore, since China is still in economic development or the transformational phase, the modernization process needs a peaceful and stable regional environment and friendly relations to ensure greater access to energy and natural resources. In order to achieve this, China is quite cautious to not pose a threat to regional peace and stability. Accordingly, military diplomacy emphasizes maintaining good strategic relations with neighbouring countries and improving military-to-military and state-to-state relations to promote and achieve national interests and national security (Cai 2016, 92; Chen, Saunders 2017, 9; Zhixiong 2018, 102; Jain 2017, 1).

Military diplomacy includes cooperation in the military field, namely joint military exercises as well as maritime counterterrorism, exchanges, negotiation, and activities with relevant departments of other states, free military assistance, participation in international military forums (ADMM-Plus), and the UN peacekeeping missions. Additionally, supporting overall national foreign policy, protecting national sovereignty, advancing national interests, and shaping the international security environment. Not to forget potential goals such as intelligence-gathering, learning new skills, benchmarking PLA capabilities against those of other nations, building partner capacity, and promoting China-made weapons (Wang 2008, 264; Cai 2016, 92; Chen, Saunders 2017, 9). Since China has become wealthier through its economic growth, from the rational point of view it is, therefore, understandable that China is investing more money into development and promotion of its military diplomacy.

Nevertheless, of all these developments, PRC's military diplomacy generally remains introverted and is subject to party and national diplomatic strategy and foreign policy (Cai 2016, 92). Since China is increasingly dependent on oil and natural gas imported from the Middle East and Africa, China is focused on protecting and advancing specific Chinese strategic interests. The PLA Navy's PLAN's counterpiracy presence in the Gulf of Aden facilitates strategic ties in the Middle East and Africa, helps guarantee China's energy security, and provides operational experience in protecting China's sea lines of communication (Chen, Saunders 2017, 9). In a way, any type of military diplomacy is some sort of a peaceful use of military strength. It combines both soft and hard powers and plays relevant roles of both military and diplomacy in practice (Zhixiong 2018, 102). It could be seen as a part of a broader Chinese foreign policy efforts to create a favourable international image, balance between soft, sharp and hard power, and an attempt shape international discourse.

2.2.6. Public Diplomacy as a chance to be flexible

Modern Chinese diplomacy emphasizes the use and development of the critical foreign policy instrument of soft power. Therefore, the PRC government has paid more and more attention to public diplomacy (Wang 2008, 263). In 2009, President Hu called the "Four Strengths" of modern Chinese diplomacy, urged diplomatic envoys and foreign policy officials to make efforts to give China "more influential power in politics, more competitiveness in the economic field, more affinity in its image," and "more appealing force in morality". The main goal for China was not to

convince the world of the Chinese development path's moral superiority and the universality of the solutions proposed by the PRC, but to reconcile the international community with the inevitable fact of the rise of China and strengthen its influence in the world (Glaser, Dooley 2009). Accordingly, the given task of Chinese diplomacy can be seen as a desire to communicate the idea that the restructuring of the global system of international relations is impossible without China's participation.

Three of the four strengths could be brought under the category of soft power: political influence, image appeal, and moral suasion, which emphasized the growing importance of promoting China's "peaceful development". Demanding the world's respect not only for China's economic and military achievements but also for its political and cultural accomplishments. Basically, if one considers Xi discourse, it could be said that Xi adopted Hu's effort as well as of other predecessors as his own by just proclaiming to increase China's soft power. (Glaser, Dooley 2009, Economy 2018, 219). However, by providing aid to developing countries, fostering the Chinese language and culture through government-funded CI's worldwide, positioning Chinese media in critical foreign markets, and supporting Chinese think tanks is not precisely how authoritarian regimes are practicing soft power. With the above projected sharp power tools, China is rather trying to harm democratic societies with authoritarian values that encourage for a monopoly on power and top-down control, censorship, and coerced or purchased loyalty. As it can be detected, China today is an offensive, dynamic, and active state. In the struggle for international markets for capital/investment, raw materials, energy resources, and export markets, Beijing seeks to use the broadest possible range of tools and methods. Although the fifth generation of leaders of the PRC maintains the traditional policy of "not joining", "not sticking out", "showing restraint and modesty" the very quality of China's foreign policy is changing, and there are some signs of "not sticking out" policy to change.

Summing up the consideration of the main stages of the PRC foreign policy doctrine's evolutionary development, it is essential to note that Deng's modernization concept, which determined new guidelines in the management of the Chinese state, became a crucial moment in this matter. The economic reforms by Deng attempted to reverse China's negative image by adopting an open-door policy (Jain 2018, 6). The primary purpose of this was to accelerate the economic development of China. The country abandoned the expansionist ideas of Mao and took

the path of a pragmatic policy of increasing China's foreign economic significance on a global scale. Subsequent leaders of the PRC put forward their concepts, which deepened and effectively developed the fundamental principles of Deng.

The third generation of leaders, led by President Jiang Zemin, laid the foundation for their early soft power policy with Chinese scholar Wang Huning who focused on culture as the primary source of a state's soft power. The idea was later continued in the political line of Hu (the fourth generation of PRC leaders), with the launch of a charm offensive, the purpose of which was to project China's image as a benign, reasonable, and reliable power within the comity of nations rather than that of menacing power (Jain 2018, 8).

Of particular interest is the PRC's modern foreign policy line, which is defined by the concept of the Chinese Dream, which implies in the interpretation of the current leader, President Xi. It must be emphasized that China's pragmatic foreign policy, determined by the continuity model of association with Deng's legacy, aims primarily to ensure the welfare of the Chinese people, which is reflected in the modern multifactorial doctrine of the Chinese Dream. On the contrary, it must be admitted that China's active foreign policy and foreign economic activity is far from unambiguous in international system. The idea of a "China threat" is continually being circulated, which, with the help of the state's crucial projection of soft power as a part of its peaceful development grand strategy, tries to refute China's threat theory (Heng 2010, 281).

Nevertheless, perceiving China as a threat, more so, by the smaller Southeast Asian nations, can be justified with regards to SCS with its so-called island-building for military purposes. Disputes in SCS do not increase the international reputation of China and are more perceived as revisionist actions. Moreover, China is often seen as a future or even current global hegemonic successor to the US. Still, There can be global hegemony with benign (altruistic), exploitative (selfish), or mixed motives (both altruistic and selfish) (Danner 2018, 162-163). Whereas the US is most often seen as either a benign or mixed-motive global hegemon, China, on the other hand, with such assertive and non-transparent actions, leading many to see as an exploitative global hegemon.

3. PRACTICAL IMPLEMENTATION OF THE PRC DIPLOMACY: A DISCUSSION

One can argue that China is now attaching more importance to public diplomacy's successful development and growth. From 2013, the Chinese Dream implies a gradual improvement of foreign policy, forming all the necessary conditions for the PRC's rise. However, in practice, the Chinese Dream supports reviving the nation, improving Chinese people's quality of life. The developed concept of soft power is crucial for successfully implementing all the initially set goals. In practice, the practical scope of hard power is limited, and the importance of soft power is growing accordingly. Soft power is the object of attention of participants in international relations. And therefore, it plays a vital role in the state's overall power growth and how China tries to implement it. In this chapter, the author will discuss how manipulative Chinese foreign policy is and how skilfully China manages to 'jump' from being 'soft' to becoming 'sharp' without turning to hard power. The argument is that it does so via employing different diplomacy mechanisms in various circumstances. The analysis is as follows.

3.1. Neoclassical Realism: Framing a Theory-bound Discussion

Western rationalistic theories of political realism try to explain China's role and place in the XXI century from its global leadership perspective. These approaches individually offer conflicting or mutually exclusive explanations for China's rise (Waltz 1979; Mearsheimer 2001; Schweller 1998). Arguably, the realist paradigm is based on the idea of an anarchic system of international relations without a central authority, sovereign and equal nation-states as its main actors, determining the influence of the structure of international relations on the behaviour of countries, often their inability to cooperate and, as a consequence, the need to fight for survival on the principle of self-help system (Morgenthau 1985). As the state's power increases, the state will seek

to change the international system through territorial, political, and economic expansion until the marginal costs of further change are equal to or greater than the marginal benefits (Gilpin 1983, 106). Therefore, starting from these premises, realists claim that China is dissatisfied with the international structure and power it generates and challenges the *status quo* even though most other countries view such action as dangerous and aggressive (Buzan, Segal 6, 1994). Therefore it will soon want to forcefully change the post-Cold War *status quo*, which may cause the conflict with the USA or, more broadly, form a new bipolarity (Liu 2010, 78). However, in the APR, China is allegedly already changing the balance of power in its favour by building up its military potential (especially its naval component) and creating a new economic and political regime.

Following the representative of the defensive realism movement within the school of structural realism offers a more nuanced approach to analysing Chinese foreign policy, taking into account a wide range of variables, such as intentions, technology, geographic location, and offensive versus defensive capabilities. States under conditions of anarchy do not always strive to expand their sphere of influence since they see the main task in ensuring their own security and accumulate only the amount of power necessary to maintain their security and survival (Waltz 1979, 126). Also, the current level of technological development, especially in the defence field, restrains the participants' aggressive aspirations in international interaction due to an attack's destructiveness. Additionally, the state's aggressive and expansionist behaviour often turns out to be counterproductive, as it generates coalitions aimed at neutralizing it (*Ibid.*, Schmidt 55, 2007). Not to forget to mention China's size, power, location, and nuclear arsenal will also make it very challenging to attack successfully (Glaser 2011, 87) as Japan and ROK could acquire stronger conventional military and nuclear capabilities of their own (*Ibid.*, 86), and presumably quickly. Therefore, following Waltz, China will aim to maintain the status quo and accumulate only the amount of power to maintain its security and survival.

According to a classic of the offensive neorealism, Mearsheimer (2001, 21), all states are revisionist since their policies aim to increase their own power at the expense of rivals. The accumulation of the maximum amount of power in his understanding is the best way to ensure the state's survival in an anarchic international environment, and therefore the "structure of the international system encourages states to pursue hegemony" (Mearsheimer 2001, 12). Therefore, China will aggressively defend its interests and meet with opposition from the US, the only

superpower, leading to armed conflict. Clash is inevitable as states seek to maximize power by achieving regional hegemony and curbing others' attempts to establish their own sphere of dominance (Mearsheimer 2001, 4). From that perspective, one can argue that China will not be satisfied with the build-up of purely economic power within the framework of the existing order and will seek to eliminate the US presence in Asia and build a new Sino-centric system of interconnections in the region. China will try to dominate Asia in the same way as the USA in the Western hemisphere. As a result, the competition in the field of regional security will become much more intense.

To explain China's current foreign policy in international relations and its behaviour, the author uses the basic postulates of structural and neoclassical realism as the basis for the theoretical and methodological approach. The originality of neoclassical theory grows from the idea that it incorporates both external and internal variables, updating and systemizing particular insights drawn from classical realist thought. Furthermore, systemic influence is carried out not directly but indirectly through the international structure's complex interaction with the state's diverse internal attributes (Rose 1998, 146), such as leader images, strategic culture, state-society relations, and domestic institutions (Ripsman, Taliaferro, Lobell 2016, 9). According to Rose (1998, 147), it is not just the quantitative indicators of material resources that matter, but also the idea of the states' relative power among political leaders and elites who implement foreign policy. Secondly, there are differences in the political structure of states and relations between the state and society, which affect the state's ability to use national resources to implement foreign policy goals. Thirdly, these are the interests of states and their motivation, which differ from country to country (Rose 1998, 147).

Schweller, on the other hand, re-introduced the category of state interests as an essential variable between the structure of the system of international relations and the state's behaviour. He argued that the mismatching motives of different states largely determine the nature of relations and the possibility of concluding alliances between countries. States that maintain the *status quo* will seek to enter into coalitions with those whose policies aim to protect the existing order, and revisionist states – *vice versa* (Schweller 1998, 21). In his opinion, the compatibility of political goals seems to be the most critical factor influencing the choice of foreign policy partners and rivals (*Ibid.*).

In neoclassical realism, the balance of power appears not as a law of nature transplanted into politics but as a phenomenon that arises in the political process itself. A result of the struggle and compromises between various elites' views with different ideas about the political-military world and different views on the goals of politics, security challenges, and means (Schweller 2004, 163). The anarchic system objectively dictates the balancing act, but the state's choice also depends on the internal political conditions.

From the point of view of representatives of the school of neoclassical realism, the need for the state to accumulate its power is not an end in itself, but rather the primary means by which the state tries to control and shape the environment in which it exists beneficially. Zakaria (1998, 12) believes that states do not strive to maximize their power or security, but their influence. With an increase in the power of the state, an increase in its interests also occurs, and, according to Zakaria, the strengthened state will seek to achieve more significant influence and greater control over the external environment, and with the weakening of the power of the state, its interests and ambitions will accordingly decrease (Rose 1998, 152; Schmidt 2007, 60). As Stephen Brooks (1997, 462) noted, states strive to build up power based on calculating costs and potential benefits. Accordingly, the ambitions and interests of states, as well as their goals, differ. Neoclassical realism studies how states influence the international environment to achieve their goals. These goals are understood broadly, including, in addition to objective security problems, also various motivations that influenced political decisions, such as the history of relations between states, the perception of threats, the prestige of the state.

3.2. Dealing with the Asia-Pacific Region

It is essential to understand the nature of the policy pursued by China in Central Asia. Is this policy narrowly regional or just part of Beijing's global project? The rapidly growing role of the APR is now a clear trend for international actors and academic researchers. Participation in the region's political and economic affairs is a priority in the policy of many states that refer themselves to the APR. The definition of the APR's boundaries, which includes Southeast, Northeast Asia, and the South Pacific, will be considered a pillar in this paragraph. The total is 30 subjects; however, only a few of them will be mentioned due to this work's length. This interpretation of the APR is

preferable in the context of this work since the most acute confrontation between the USA and China falls on these states.

As for the geopolitical and geostrategic importance of this region, it has become apparent that the centre of world political and economic activity is shifting towards the APR, making it the centre of the intersection of the interests of the world powers. In particular, the geographical location of the region. Access to the Pacific where vital sea and air routes are concentrated, transit routes between the Atlantic and Indian Oceans. Additionally, a considerable amount of natural, land, and labour resources make the region even more attractive because the APR has a vast technological, financial, and production potential. Evidently from this research, in China's foreign policy on the APR, there are four strategic directions that can be distinguished, and they are as follows: security, energy, trade, and cultural cooperation.

The APR is a rather distinctive and, at the same time, a dynamically developing area where the political West is no longer considered 'attractive' in its dominant status. The increase in the PRC's economic power and its growing political role within the region and the international arena has changed international relations architecture in the past decades. Therefore, the world community is facing ever-changing new challenges provoked by the conflict of state interests where China seeks to acquire a great power status, occupying a dominant position in the region in focus.

Furthermore, China's primary goal at this stage of development in international relations is not global domination or leadership, but rather the creation of a Sino-centric order in the APR, based on balancing with other power centres Japan, India, and the ROK. However, it is also worth noting some distrust of the countries of the region towards China. Its expansion in the SCS by creating artificial islands, many territorial disagreements with several countries, and a somewhat unshakable position on some international issues prevents Beijing from achieving unconditional leadership in the APR. Overall economic performance and overall political authority play an essential role in this aspect, but other global players' trust and respect are also needed. In this regard, various international organizations are quite widespread in the region, engaged in solving pressing issues and integrating all APR countries into developing and implementing solutions where China is actively participating.

Most definitely and evidently, China seeks to overtake the USA economically. For this purpose, China participates in many different political and economic organizations. The emphasis on the economy is decisive in China's foreign policy. Due to the US's competition, China, as an Asian state, has chosen Asia as the defining vector, and dominance in Asia makes it a priority in foreign policy. Therefore, soft balancing of US dominance in Asia by China could be considered as a part of China's foreign policy and one of the components of combined national power. Additionally, soft balancing is also carried out in domestic politics through economic development, which causes less concern on the part of other states than military build-up. From neoclassical realist stance, economic growth (internal balancing) should be the main priority in domestic policy. Since, according to Zheng Bijian (2005, 19), the main ideologist of the theory of "peaceful rise", that any hitch in economic or social development can cause discontent among China's huge population, which the CCP may not be able to stop. In this regard, it becomes interesting to consider China's participation in economic integration formations in the APR. Moreover, two of the main speeches regarding the BRI were published in the "*Neighbourhood Diplomacy*" section of the book *The Governance of China*, which shows the paramount regional priority of the APR for Chinese foreign policy.

China is a permanent member of the UN Security Council, and since the UN's accession in 1971, the country has been actively participating in its structures, which have not evaded economic issues. China is also part of the IMF, and in terms of need for development and keeping the growing population satisfied, China needs to participate in this organization since it provides loans, supports exchange rates, and gives recommendations for resolving the economy's crisis, which is essential for China in reforming the economy. Additionally to that, China is also an active member of the World Bank Group. The world economy has become much more complex and interdependent. Therefore, being a WTO member can also contribute to China to sustain growth and reform. China's participation in it – based on international trade rules – is of immense importance both for China and the world community. As a WTO member, China can participate in the formulation of regulations governing international trade and investment. China engages in such organizations as the International Chamber of Commerce, the International Maritime Organization, and the International Organization for Standardization. Participation in these organizations allows China to raise its standards for goods, increase competitiveness, and develop barriers that prevent low-quality goods or low-quality raw materials from entering domestic

markets. These organizations' activities aim to solve the most pressing issues, including developing unified rules and standards for doing business, solving global trade liberalization problems, and coordinating the fight against maritime crime and maritime transport standards.

Participation in international organizations of a global order allows China to standardize economic processes while receiving mechanisms to protect its economy from crisis phenomena. The integration of China into the world economy leads to the liberalization of economic processes within the state. Additionally, it is also a regulator of world economic processes. By integrating into international institutions, provides China possibilities to practise different soft and sharp power mechanisms creating disincentives for any criticism towards the CCP, consequently allowing to increase of economic or political potentials.

Turning to regional organizations, it is worth noting that China's participation in regional Asia-Pacific organizations could be associated with China's desire to dominate this region and build up its economic potential in order to weaken the US' present influence in this region. From the thesis perspective and length of the work, the author chose organizations such as ASEAN, APEC, and G-20, and it can be said, one should pay a close attention to the results of summits and meetings and how they were held, where and by whom they were organized. In which context China used soft power of attraction or sharp power penetration or where soft power became sharp or *vice versa* and why.

3.2.1. APEC as a Political Platform

Asia-Pacific Economic Cooperation (APEC) is an influential and most representative international grouping in the Asia-Pacific region, where China also occupies a leading position. This structure was founded in 1989 and became the first regional intergovernmental economic organization. It should be noted that several sub-regional groupings can be distinguished in APEC's structure, among which there is also ASEAN. So, the members of the organization are 21 economies.

APEC's activities focus on setting regional trade and investment rules and forming a region-wide Asia-Pacific Free Trade Area (APFTA). Cooperation in this format contributes to trade and investment, simplifying various bureaucratic, customs, and other cross-border procedures. Along with this, the organization's members are developing economic, scientific, and technical

cooperation, a priority direction of the PRC's policy in APEC. By now, for many states of the region, China has become one of the largest and most profitable economic partners and a source of investment and tourists. China channelled its resources towards creating trade and economic zones and alliances to cover the APEC space with a network of financial and commercial ties and allowing China to get more economic benefits in a shorter time and form an economic counterbalance to the US and Japan. Hence, China signed agreements on FTAs with ASEAN, Hong Kong (2002), Macau (2003), Thailand (2003), Chile (2006), New Zealand (2008), Peru (2008), Singapore (2008), ROK (2014), Japan (2014), and Australia (2014). In this regard, China also uses the formats ASEAN+1, ASEAN+3, ASEAN+6 to form the so-called 'Chinese core' in APEC.

It can be noted that the APEC economies are paying more and more attention to their agenda to solving the problems of ensuring social well-being in the region. The problem of a significant difference is in the levels of economic development of forum participants. International economic system reforms and policy coordination create a favourable international environment for emerging economies to overcome the middle-income trap. As of 2014, more than 34 food safety capacity building and laboratory training projects have been completed with participants from 21 APEC economies (Improving food... 2014). Moreover, after the 5th Plenary Session of the 19th Central Committee of the Communist Party of China held in October 2020 approved the committee's 'Suggestions' for *the 14th Five-Year Plan (2021-25) on the National Economic and Social Development and the Long-Term Objectives through the Year 2035* in order to transition from middle to high income status. Scholars at the Chinese Academy of Social Sciences estimate the potential growth rate from 2021 to 2035 4,81% per annum, that's 21731 US dollars by 2035. (Fang 2020, 2). Thus, APEC can be considered as an important economic organization for China.

In the year of its chairmanship in APEC (2014), it might be argued that China laid the basis for cooperation and innovation development of the small and medium-sized enterprises sector. In 2017 SMEs offered more than 80% of jobs, produced more than 60% of GDP, and contributed more than 50% of taxes (Jia *et al.* 2020, 6). In this direction, tasks were identified to improve the conditions for their integration into global value chains, take more active measures to protect enterprises from natural disasters, and increase the inflow of investments. Additionally, an agreement was signed to create an anti-corruption mechanism in the entire APR. Arguably, all the

initiatives are positive in nature and could be considered as successful usage of soft power through economic diplomacy, but one cannot ignore the fact China's own interest in developing SME's to be able to advance its own economy growth, Beijing cannot risk a recession and has to keep population content.

After economic cooperation, China uses APEC also as a political platform for establishing constructive dialogue and friendly relations with its neighbours in the region. The summit in 2014, which was held in China, can be regarded as very peculiar as Beijing was in the spotlight at this event. According to some experts, the PRC managed to realize almost all its ideas and plans (Drezner 2014). The Japanese Prime Minister Abe meeting with PRC President Xi, which marked the beginning of a new upsurge in bilateral relations in times of ongoing tensions shows, how China managed to balance back while using soft power. On the other hand while applying sharp power in form of rapprochement with Vietnam, allowed both sides to handle maritime disputes through consultations, however it did not help to resolve the tensions over maritime territory in SCS and the confrontation continues today. Moreover, China managed to oppress even the US in terms of importance in the organization. They were expecting statements about the creation of the Trans-Pacific Partnership (TPP); however, this did not get of the geo-strategic 'ground'.

Accordingly, China uses economic diplomacy to manipulate and put pressure on neighbouring countries when national interests are damaged and balance back to sharp power. For example, when Vietnam refused to exclude Taiwan from the APEC summit list in Hanoi, the Chinese leadership temporarily suspended aid to Vietnam. Even though China has long insisted on prohibiting Taiwanese leadership from participating in APEC leaders' meetings. At the same time, the factor of simultaneous participation of China and Taiwan in APEC activities can have a positive effect on their relationship. As can be stated, their mutual contacts and dialogue have intensified and the parties have established cooperation on issues of mutual interest. This, however, creates a possibility for China to use sharp power in a cultural and economic sense and not to forget Chinese stratagem diplomacy. Yet, Taiwan is aware of the intentions, therefore trying to combat it by concluding FTA with other neighbours – 'The Southband Policy' (Chiang 2020).

One can assume that China's policy is primarily focused on the development of economic and technical cooperation. In particular, when the PRC leadership contributes to APEC's work in such

areas as the development of medium and small businesses, the fight against poverty and economic backwardness in developing countries, the transfer of advanced technologies, the development of social and economic infrastructure and human resources, to name a few. Secondly, APEC is used by China as a political tribune and a body that helps create an atmosphere of trust and mutual understanding with its Asian neighbours, where China seeks to strengthen its image as a regional leader. Since, there are contradictions in relations with the USA, Japan, and having difficulties with resolving the 'Taiwanese question', in this regard, APEC (where Taiwan is a member-economy) can also be considered as a valuable in maintaining a dialogue with these countries. However, when there is a need to mask its policies and suppressing's, China also uses APEC as a factor in opposition to establishing the absolute economic dominance of any political and economic force where concrete sharp power usage through economic coercion could be applied. Thus, the Chinese leadership continues to pay great attention to interaction within the APEC framework, take an active part in APEC leaders' informal meetings, and put forward initiatives for further developing the forum in order to take advantage.

There are some very successful organizations without Japan's participation, but, at the same time, some international institutions in the region are ineffective or not profitable without China. The most suitable example is the TPP. The TPP was signed in February 2016 and did not include the PRC's membership. The organization's entire structure and functioning was built around the US. Its desire to counteract China's increasing potential and cement economic ties with countries in the region wary of China (Drezner, 2019). However, in 2017, the US President Donald Trump announced the withdrawal of the United States from the organization. Accordingly, without a significant player, the TPP lost the lion's share of its potential. Some experts even suggested that China could take the US' place and further strengthen its influence in the APR. Hence, China did not sit idle, and China's exclusion from the TPP prompted China to formally initiate talks for RCEP (Regional Comprehensive Economic Partnership). They were creating a competing regional trade agreement for Asia, which by some measures would be even larger than TPP (Chow *et al.* 2018, 28) as it initially included China, India, and several nations from TPP. However, the negotiations stalled due to India's exit from RCEP trade talks and Japans trying bolstering India's ties to balance Beijing's growing power (India's exit from RCEP 2019). This can also be explained with the complicated relationships between India and China and Indian balancing against China. The long-lasting negotiations which formally launched in 2012 are also not doing any good for the

overall image. Still, the US's withdrawal from the TPP on the wrongful perception of non-compliance with American interests will push the region's states, primarily ASEAN, into a closer partnership with China and area of influence.

Additionally, one can mention the 2011 Honolulu Summit as an example, which can demonstrate the confrontation between the USA and China. The American President openly accused China of curbing the yuan's exchange rate and violating intellectual property rights. Besides, the final decisions did not coincide with the priorities of China's policy. The emphasis on the environmental bloc (supporting 'green growth' in trade in environmental goods) was anti-Chinese and enabled the US and its allies to criticize China's environmental policy. This indicates an attempt by Washington to gain additional leverage on Beijing. The new US administration is pursuing the same strategy. US Vice President Mike Pence sharply criticized the BRI at the APEC Summit in Papua New Guinea, stating that many programs are of low quality and burden to developing countries with unaffordable loans, which has its truth in it. As a result of persuading what was understood in the past as the third world countries on Beijing debt-trap policy, several projects of the program have faced delays, suspension, or complete cancellation over the past year "due to scepticism and opposition from national governments" (according to a report by the Economist Intelligence Unit). For the states of the region, choosing an allied side is urgent and problematic simultaneously. However, in most cases, they use the opportunity to play on the two sides' contradictions and bargain for more favourable conditions and China is aware of that.

In conclusion, it can be noted that over the past two decades, China has played a constructive role in multilateral cooperation within the framework of APEC. China has mostly emphasized using soft power tools in the formation. Still, when the specific national interests were infringed, China did not hesitate to apply sharp power mechanisms, mainly through economic coercion. However, China also showed, that when there is a possibility to gain recognition it did not hesitate to balance back to soft power. President Xi took part in all the APEC leaders' informal meetings, outlining relevant and rational political proposals and initiatives to develop the forum further. By participating in the organization's activities, the state contributes to the development of the international order in a fairer and more rational direction. Moreover, China can be considered the primary sources of the organization's dynamism.

3.2.2. ASEAN Bound Deeply Economically

There is a historical past between the South-East Asian region and China. Although trade ties are booming, historical fears and China claims in SCS are particularly irritant. ASEAN countries are bound deeply together with China economically but worry about China strategically (Shambaugh 2013, 83). For a long time, the ASEAN member countries saw China's growing influence as a source of security threat in Southeast Asia. Today, the ASEAN, having appreciated China's economic potential, regard it more as a source of economic opportunities and benefits, being it sincere or not. China and ASEAN share views on world politics, call for strengthening polycentrism in international relations, equality, and mutual respect among all states. China publicly expresses support for ASEAN's central role in the integration processes in East Asia and advocates for an increase in the role of the Association in the UN, G-20, and APEC. Additionally, cooperation with China makes it possible to reduce dependence on other influential actors in the APR – the USA and Japan.

Several factors can explain South-east Asian states' central place in the PRC's foreign policy with a geo-economic and geostrategic dimension. In terms of political and security aspects, the PRC relies on its neighbours to protect its interests, strengthen its role in the international arena, and overcome anti-Chinese tendencies in the region. Besides, China is one of the key players in the region's territorial disputes. Therefore, ASEAN can be considered a guarantor of stability and security in the region and supports internal national accord. Equally important is the economic aspect of rapprochement with ASEAN. China sees in the rapidly developing states of the region promising markets for Chinese products, outsourcing production facilities, sources of raw materials, and territories for the management of Chinese workers. The adjacent areas in the SCS are also attractive because of the massive oil and gas reserves.

Moreover, China has many agreements with the ASEAN countries, for example, Framework Agreement on Comprehensive Economic Co-Operation (2002) or Joint Declaration of ASEAN and China on Cooperation in the Field of Non-Traditional Security Issues (2002). The Framework Agreement with the ASEAN countries resulted in establishing the ASEAN-China FTA that guaranteed mutually profitable growth (Shuto 2018, 127). Besides, the countries jointly opened investment funds for each other, provided the region with good, almost interest-free loans. The

rapid increase of trade with ASEAN and other Asian countries created both sides' opportunity to settle among themselves using the RMB (Yang 2017, 60). Close economic cooperation has a beneficial effect on the political and international arena and could be regarded in this case as a soft power tool.

Arguably, the foundation in relations between China and the ASEAN countries at the current stage is laid by pragmatism based on mutually beneficial trade, economic, and investment cooperation. China's attractiveness as an economic partner guarantees the strength of its position in the region. Even considering the relatively slight slowdown in the past few years, the Chinese economy's rapid growth stimulates its neighbours' development and economic potential. Pragmatic observers from the Association's countries noted that China, which is growing strongly from year to year, is not a threat to their national security, but an additional opportunity for the ASEAN countries economies (Breslin 2011, 14).

At the present stage, the PRC continues the course towards intensifying cooperation in all spheres with the countries under consideration while striving to build a "community of a common destiny", forming a "closer strategic partnership" (Joint Statement 2016). To increase its attractiveness and gain the ASEAN states' trust, China uses mainly economic diplomacy soft power tools. Creating an ASEAN-China Free Trade Agreement (ACFTA) facilitated trade and investment flow between China and ASEAN and served as a powerful impetus for developing trade cooperation.

However, one can believe that, for the most part, the ACFTA is beneficial only to China because it has a definable mercantilist signature, which is tried to hidden through sharp power diplomacy and discourse. One of the agreement's implementation's problematic aspects is the trade deficit with the PRC. In 2018 ASEAN exports to China rebounded by \$214.7 billion, whereas China's export to ASEAN reached \$316.8 billion. Even though the exports to China increased exponentially year by year (Alleyne *et al.* 2020, 4), such an asymmetry in trade relations leads to a change in the structure of the sub-region states' economies, which are integrated into production chains that are close to China. China's ASEAN partners are also concerned about the over-focus on China's economic interests. In particular, this is taking the form of unfair competition and lobbying for the idea of more active use of the yuan in bilateral trade settlements. Several Western experts conclude that the current situation indicates the background of China's policy towards the

ASEAN states. Moreover, the modern leadership is striving to build a model of relations of a “Sino-centric” (Ho 2019, 227) order in the neighbouring region. Nevertheless, ASEAN has secured its position as China's largest trading partner in 2020, surpassing the EU by 16 billion in the first eight months totalling \$416 billion. Since the US-China trade-war began in 2018, China-ASEAN trade has realized rapid growth. While novel coronavirus is hammering trade worldwide, China and ASEAN have managed to keep the trend with a 3,8% growth rate (Feiteng 2020).

One can argue that China uses soft power attraction tools in economic diplomacy to reduce socio-economic differentiation and prevent internal political shocks in the sub-region countries. To successfully implement bilateral commercial projects and the promotion of large-scale trade and economic initiatives, notably the RCEP and the BRI. Similarly, China seeks to prevent the strengthening of another political and economic force, the US, Japan, or Russia. Economic aid is provided in traditional forms of grants, soft loans, interest-free loans, and other mechanisms - commercial loans from Eximbank and other banking institutions without preferential terms, FDI. The establishment of the AIIB can also be seen as China's ambition to improve the image as a reliable and alternative creditor and donor to Southeast Asia, promoting the development of communications. However, one should not forget China's culture and stratagem diplomacy where China focuses on long-term goals, steadily developing relationships that can be exploited later if needed.

Although China has open territorial issues with some of these countries, Beijing is trying to manoeuvre and pursue a peaceful policy even though it is sometimes sharp in nature. For example, ASEAN Regional Forum (ARF), of which China was cautious, fearing Washington's influence on its functioning. Though, over time, Beijing decided to use the ARF to strengthen its influence in South-east Asia, thereby opening its way to the SCS. The synergy between China and Cambodia can be cited as an example of the effective use of economic pressure and manipulative mean as a foreign policy instrument. In connection with China's claims to the territory in the waters mentioned above, in 2012 at the Phnom Penh ASEAN Ministerial Meeting (AMM) summit, China used its levers of pressure on Cambodia. China provided the state with preferential loans and grants for more than \$ 500 million to modernize infrastructure facilities. At that time, Cambodia was the chairman of ASEAN and diverted the talks away from the SCS conveniently for Beijing (Simon 2012, 1016). Therefore, the absence of agreement between ASEAN states is not surprising as all

the members have different sets of security interests and economic prosperity when dealing with China and China uses it wisely. Accordingly, both Laos' and Myanmar's apparent silence at the AMM suggests additional tactic support for Cambodia (*Ibid.*, 2017) which in turn helped to legitimize illiberal forms of Chinese government.

Arguably, the usage of economic leverage as a manipulative means in achieving a preferable political outcome could also be observed in 2014, during the Cambodian Prime Minister's visit to China, President Xi promised to provide concessional loans to Cambodia of \$500-700 million annually in response to support for China's BRI. Cambodia also officially supports China's position on the Taiwan issue and the islands' territoriality in the SCS, which is not in line with ASEAN's official position. Using economic support, investments, and inclusion in the BRI project, China also managed to 'purchase' Brunei's votes, Thailand, Laos to manipulate future political agendas within a region.

In addition to 'economic aid' packages, China is developing military-technical cooperation through military diplomacy. Consequently, providing military equipment to Myanmar and Nepal at friendly prices. Similarly, targeted deliveries of weapons and property are carried out in the form of gratuitous aid to Laos and Myanmar and the personnel of these countries is trained in Chinese military institutes under the leadership of the PLA. Additionally, assistance is being provided to Cambodia to build military infrastructure. For Thailand, China is organizing technology transfer for the defence industry, high-tech weapons, and joint military operations. It could be seen as a part of a broader Chinese foreign policy efforts to create a favourable international image and form an international discourse to promote and achieve national interests and national security, however it can be also seen as a balancing act.

Even though President Xi promised his neighbouring countries prosperity and mutually beneficial trade and investment such as the BRI and AIIB, and promoting in his home country for better relationships with neighbouring countries' territorial claims did not soften. Instead, its naval capabilities have strengthened, and Chinese leaders have voiced to defend their territories like it is the particular case with Vietnam and many other states in the region. Just like the sentiments in the countries' population and among elites, Xi wants a strong China, and for economic growth, he needs a stable international structure. A neoclassical realism explanation, the power comes from

within. Since the 2013 restructuring of the maritime agencies, Xi centralized multiple ineffective agencies into one, with that the capability to defend its maritime territory under his control.

In recent years, China has also been hugely successful in using different manipulative techniques by adhering to a stricter stance concerning its indisputable sovereignty (claims to 80% of the SCS) over the territories in the SCS. The SCS is rich in natural resources and these sea routes are the second busiest globally and carry cargo valued at \$5.3 trillion a year (30% in world trade). According to the US Energy Information Administration (2013), there are 190 trillion cubic feet of natural gas and 11 billion barrels of oil. Moreover, local marine resources account for 12% of the world's \$ 21 billion fishing catch, and for the states in the area, fish is a vital source of diet and only job possibility (Schofield, 2017) and China is aware.

At the same time, the islands of the SCS are the subject of territorial disputes. The first three claim all the land features in the Paracel Islands and the Spratly Islands. PRC and ROC are making the most extensive claims, and the other three claims only some of the Spratly archipelago elements. The four of them are ASEAN (Vietnam, the Philippines, Malaysia, and Brunei). Except for Brunei, all of the above states have a military presence on the islands. Moreover, there is also a second group of states or 'external' states like the USA, the ROK, Japan, the Russian Federation, India, and Australia. These states have specific interests in the region by insisting on freedom of the sea and peaceful conflict management instead of claiming any territorial right in SCS (Ohnesorge 2016, 29).

In 2016, China did not acknowledge the decisions of the Permanent Court of Arbitration in the Hague in favour of the Philippines, created artificial islands, and placed military infrastructure there. Nonetheless, the Philippines, with its past conflicts and lengthy process regarding Scarborough reef, the President of the Philippines, Rodrigo Duterte, chose to downplay the maritime disputes in favour of courting PRC for economic benefits by advancing cooperation in the economic, defence, and media sectors (Tiezzi, 2018).

It should be noted that the situation in the SCS is recognized as the most difficult in the history of maritime territorial disputes. Having obtained the desired territories, China will begin to control the vital maritime artery Strait of Malacca. Thereby China is acquiring more opportunities to

strengthen its position, which in the authors' opinion is one of the primary sources, besides potential biological and natural resources and trade traffic, of conflict. It is an important transit route for liquefied natural gas (LNG) from the Middle East and African suppliers to markets in Asia, with growing LNG demand. Therefore, China is interested in expanding its territory in this direction. A victory in the eastern part of the SCS could also become a springboard for China to higher strategic positions globally (BRI). Accordingly China began to take active steps in the region and build artificial islands to push back its sea borders to take possession of the above territories and equip military bases in these territories. One can assume that China tries to take advantage of the UN Convention on the Law of the Sea, a state's sea border is 12 nautical miles from the coastline. However, on the contrary how China treats foreign judgments, illustrates its legal reality, and tests its judicial determination only can show the determination of how China pursues to increase its influence within the anarchic international system.

The APR's economies are taking the world's leading positions in terms of their indicators. It is reported that the region is the most competitive globally, followed by Europe and North America (Global Competitiveness Report 2019, 11). Large projects are being implemented in such industries as heavy industry, electronics, bioengineering, metallurgy, transport, mechanical engineering, and energy. The centre of gravity of the world economy, according to analysts, is shifting from West to East, the share of Asian countries (and primarily China) in world production is increasing significantly and China tries to influence it in its own terms. Power grows – desire to influence grows.

Thus, the author argues that China uses different set of tools of diplomacy, which often can also be transformed into a variation of debt-trap policy and with the help of different mechanisms skilfully manipulates the outcomes in order to expand its influence in the region. The preferential terms of Chinese loans tie the south-east Asian countries exclusively to the supply of Chinese equipment and even to the use of Chinese labour to implement development projects. This consequently also creates economic risks for small and medium-sized businesses. Therefore, in the future, China's active economic expansion may undermine its confidence and attractiveness from neighbouring countries and may revise China back more into soft power exploiter. Furthermore, China needs its neighbours to be able to grow economically, which can be argued as being one of the critical moving forces, whether China will employ soft or sharp power. Therefore,

if China wants to transform according to Long-Term Objectives through the Year 2035 from a middle-income to a high-income country, it's in China's interest to cooperate with ASEAN; otherwise, China's one-party legitimacy can come into question at home as well as abroad and this is not in party's interest.

3.2.3. The G-20 as a working platform

Last on the list, but not least, is the G-20. Unlike many other organizations, China and 12 out of 20 are more or less related to APR and 6 out of ASEAN+6 are within G-20 and have practically equal positions. Moreover, another major regional power Japan is part of the G-7, where the world's most developed powers are represented, which should give some advantage. Confirmation that Beijing and Tokyo are in a parity position within the G20 can be seen because the summits were held in one or another country. In 2016, the meeting was held in Hangzhou, and in 2018 in Osaka. At first glance, it seems that the G-20 is primarily concerned with global issues. However, one should not forget that any meetings and other events are an excellent opportunity to hold negotiations or conversations between countries' leaders on issues that cannot be organized separately from any events. For example, at the Chinese summit in Hangzhou, Xi discussed pressing issues with Abe, focusing on resolving acute situations in the APR region; for example, on strengthening communication and consultations in line with a four-point agreement to jointly safeguard peace and stability in the East China Sea (Xi Jinping meets... 2016).

At the Osaka G-20 Summit, they discussed developments in negotiations with North Korea, where Abe later invited Xi to visit Japan as a state guest (Hurst 2019). Even though the G20 is a global club of countries and prefers discussing issues affecting all participating countries, both Beijing and Tokyo can equally use the G20 summits to promote their interests in the world or the APR region as a whole, organizing meetings on the issues and establishing ties with other important states.

In recent years, not only economic ties have become a factor in favour of rapprochement, but also the standard approach of the parties to the problems of the global economy. Japan and China, which have become world economic leaders, primarily due to developed foreign trade relations, share common positions on freedom of international trade. Their adversary in the current conditions is the USA, which introduced serious non-trade barriers to foreign exporters' access to

their domestic market under the Trump administration. Moreover, although Washington is dealing the main blow in the trade war against China, Japan, the EU and other vital nations which, along with China, suffered from the imposition of tariffs on steel and aluminium, did not escape the fate of the “scapegoat” (Goro 2020, 246). Not without reason, Tokyo fears that the next step of the Trump administration will be a significant increase in import tariffs on cars and car parts, which account for the lion’s share of Japanese exports to the USA (*Ibid.*, 245). Opposing the protectionist policy of Washington, for the preservation and development of multilateral systems of world trade, Japan and China, being traditional geopolitical competitors, paradoxically found themselves on the same side of the “barricades” in balancing against the US. However, due to latest events in the US elections and new elected president Joe Biden, the situation can change in the 2021.

Under these conditions, both China and Japan, whose relations in the political field have long stalled due to territorial disputes and differences in approaches to the historical past, breaking point from sharp to soft power and progress in political dialogue, at least small and symbolic, is desperately needed. It is no coincidence that Abe’s visit in 2018 to Beijing was timed to coincide with the 40th anniversary of the Japan-China Treaty of Peace and Friendship, signed in August 1978. The first time in nearly seven years, a Japanese prime minister had visited China for anything other than attending a conference. The emphasis in planning the visit was placed on demonstrating success and counterbalancing deteriorating relations with Washington by improving relations with Tokyo, even if only symbolic one can argue that cultural soft power efforts in this regard are gaining its momentum. However, this move should be not underestimated as this could also be considered as shaping favourable consensus by manipulatively usage of discourse for desirable outcome.

An excellent example concerning soft power usage can be mentioned the common goal of denuclearizing North Korea and welcoming the recent Inter-Korean Summit as a positive development (Premier of the State... 2018). However, there are also experts who claim, that China has been ignorant regarding DPRK nuclear issue and has been using the issue in its own advance. Nevertheless, Japan and China agreed to join efforts to assist the settlement process and signed numerous business deals—in areas ranging from infrastructure to energy to automobiles – worth around US\$ 30 billion (Woodall 2018, 73). Furthermore, although Japan refrains from signing any official documents on joining the BRI, reconciliation process could be apparent as Japan agreed

to sign an agreement on joint participation in implementing numerous infrastructure projects in third countries.

It could be argued that the attention should be drawn to several agreements aimed to improve their image in the partner country's public opinion, which suffered greatly during the political freeze period. These include the signing of the Memorandum on Enhancing Youth Exchange by Prime Minister Abe and his Chinese counterpart Li Keqiang to declare 2019 the year of Japan-China Youth Exchange Promotion Year. According to the declaration, 30,000 people are expected to participate in this exchange program from both sides over the next five years. Another example was a shared view of both sides to promptly negotiate to sign a memorandum to develop a critical environment and support research on giant panda breeding. A significant result of the visit was an agreement to speed up negotiations on a free trade zone between China, Japan, and ROK (Prime Minister Abe... 2018). An obvious effort to improve China's international image.

Thus, Japan and China have demonstrated their determination to act as guarantors of Northeast Asia's economic integration process and, more importantly, to support the global free trade system and resist protectionism. A signed memorandum between Abe and Li introduced the practice of annual consultations at the level of foreign ministers. Abe conveyed an invitation to Xi Jinping to visit Japan in 2019, which would have been the first official visit of the PRC President to Japan since 2008. However, due to the ongoing pandemic, the visit was postponed.

A range of factors, such as the rapid development of the Asian states, the emergence of new political and economic power centres, the worldwide diversification of international trade relations, and qualitatively new global challenges, the APR is turning into the main geopolitical arena of the XXI century, where events are already taking place today, influencing the life of all countries of the world community. Nonetheless, the region is becoming a field of geopolitical confrontation not only between the two largest powers of our time, the US and the PRC, but is also of interest to many other states, transnational corporations, and other actors of international relations. The region is rich in natural resources, and the most important trade routes are located on its territory, and it is safe to say that Beijing has quite a favourable position.

Given the dynamics of development and the solution of various issues and third parties' participation, the confrontation between the PRC and some of the APR states will continue in the next few years. A vast number of complex territorial disputes are being conducted in the APR. The states' claims are explained by the desire to control the region's strategically essential territories and the struggle for influence in specific areas, leading to increased tension in relations between the disputant's countries and the region. Besides, the rivalry is for individual zones and in the APR as a whole, manifested in the bilateral ties between Beijing and the APR states and the competition for leading positions in several regional and international organizations.

To strengthen its position in the APR, China resorts to economic and political instruments and turns to soft power and public diplomacy since only comprehensive cooperation will lead to the successful realization of China's interests. It appears to be that the current Chinese government understands the importance of gradually strengthening economic and political cooperation with various South-east Asia countries and is making efforts to expand China's participation in various ongoing integration processes in the APR. The interaction carried out at present between the PRC, and Japan is becoming an essential practical tool for implementing the policy of stimulating the economic sphere and hedging in geopolitical risks worldwide.

Nevertheless, China is the largest country and one of the most developed economies in the APR, attracting both foreign partners' attention and interest. Moreover, the PRC has enough power to dictate its terms and decide whom to 'be friends' to and with whom it is not. Nonetheless, it is worth considering that countries in APR can also conduct an effective foreign policy and occupy leading or similar positions in organizations. However, only with the participation of the allies in them like the US. Accordingly, we can conclude that success strongly depends on the conditions of the situation. The availability of support from Western partners, mainly the US, Beijing, is independent and influential enough to pursue a policy beneficial to it, regardless of the moods around it.

CONCLUSION

Within this study's framework, while employing a comprehensive observation-driven methodology and instrumentarium of the modern schools of structural and neoclassical realism as the basis for theoretical and methodological approach, the contemporary Chinese foreign policy has been reviewed, contextualizing the discussion with a scholarly attempt to detect how China balances between soft and sharp applications in the process of its foreign policy's implementation. The dissertation considered specific co-operational linkages, which have been established by the world's most populous nation in the Asia-Pacific region. Based on the results of this study, it is possible to draw several conclusions, and they are as follows.

The PRC is one of the most dynamically growing countries globally, with interests in almost all regions of the planet. Via its foreign policy, evidently, China has been able to make a significant impact in the context of international relations-associated development on the grand-level. The country's diverse economic sector has been detected as a driving force that substantially contributed to creating conditions for close interrelations with many countries globally, in different spheres of life. One may argue that there is a direct link between strengthening the PRC's international economic and political competitiveness and the country's visibly growing geo-strategic 'portfolio'.

The PRC is a proponent of creating a multipolar world order, in which it intends to become one of the poles. Beijing uses several mechanisms and diplomatic tools to achieve the desired result in the country's priority areas. However, even if these activities may seem reasonably harmless or advance admirable goals, according to the author, they should be approached with more significant scepticism. It may even be suggested that the PRC's policy and its actions globally are rather strongly influenced by the US, whose presence in China's global and regional security system is ubiquitous. As for official Washington, one can argue that its primary geopolitical imperative is

to secure the US leadership in the foreseeable future. With a particular emphasis on strengthening the US presence, including the military, in critical regions of the world that directly or indirectly affect China's interests, and intensifies severe concerns.

Nevertheless, Beijing is not interested in a direct, let alone military, confrontation with the USA. A much more effective strategy for China is to create a situation of mutual vulnerability and interdependence, developing and steadily deepening economic ties through different manipulative mechanisms. In many ways, China's economic development makes Beijing's desire to expand ties with various countries inevitable and strengthen its positions in several key regions. To maintain sustainable economic development, the PRC establish relationships with the regions that are in one way or another in the sphere of geopolitical influence of potential rivals, particularly the USA, causing some problems to arise.

In its regional policy, China pursues establishing strong ties and gaining the countries' confidence around it to ensure a peaceful and stable environment for solving national development problems and promoting its interests. Another essential task is to oppose establishing economic domination by another political and economic force in the APR (the USA, Japan, and Russia). Therefore, it is the region of the APR that is evidently of special significance for China. Moreover, neighbouring states occupy a distinctly dominant place and are of strategic importance in China's foreign policy. The primary efforts and interests of the Chinese government are aimed at developing close economic relations in order to sustain its economic growth. Energy security is becoming increasingly crucial, and increasing integration in regional institutions provides China with levers of influence and promotion of its interests at the regional level. China works most diligently in the economic sphere in order to ultimately dominate the region and create a sphere of influence that would cover all of the Asian continent. ASEAN, which receive real economic benefits from cooperation with China, is, on the level of the organization's membership, becoming more often than ever receptive to Beijing's economic projects and, as a result, fall into the zone of its influence.

One can notice a tendency to build up the potential of a/the 'great power' and strive to acquire a global player's status in the international arena. China is promoting Beijing's globalized vision of the world and the PRC's role in it, as evidenced by President Xi's concept of the Chinese Dream.

Thus, the Chinese Dream, despite being designed for the *intra*-China usage, aims not only to improve the living standards of the Chinese people and increase the competitiveness of the national economy but also to increase international prestige, so-called ‘great power diplomacy’ with ‘Chinese characteristics’. Just like the sentiments in the countries’ population and among elites, Xi wants a strong China, and for economic growth, he needs a stable international structure.

China’s assertiveness and toughness are increasing in ASEAN’s foreign policy, which could be associated with the need to defend vital national interests. The territories of the states of South-east Asia have great economic potential; therefore, developing mutually beneficial relations with them is an essential factor in the Chinese model of development and the realization of the “Chinese Dream”. Participation in international organizations in the APR is of interest to China. It contributes to the expansion of sales markets, diversification of sources and routes of supply of energy and mineral resources, and ensuring their uninterrupted supply and increasing geostrategic influence in the international arena.

One of the manipulative means could be considered, drawing the countries into debt-trap and dependence, which serves as a useful tool for the Chinese policy of penetration and increasing its influence through sharp power. China uses economic diplomacy to manipulate and put pressure on neighbouring countries when national interests are damaged. That shows that economic diplomacy is playing an increasingly important role in China. Judging by the fact that China is a key trading partner of the ASEAN member states and many APEC members, its economic direction efforts can be assessed as significant. On the other hand, the ASEAN states regard China as one of the most profitable economic partners and are interested in its investments. Therefore, they continue to adhere to strengthening cooperation with it, despite the existing contradictions. In return, China’s partners get the opportunity to ensure their economic growth and participate in globalization processes. China’s activity in the organizations allows to conclude that China’s economic success has helped it create both hard and soft power, but with limitations. China’s BRI economic aid package may look lively and attractive, but only if the aid conditions do not become as unpleasant as they were in the Sri Lanka port project’s recent case.

Having considered the project’s goals, the routes of the BRI, and other states’ interests, the author can draw the following conclusion. The grand-initiative is seen as a somewhat controversial

project: on the one hand, it can be seen as an opportunity to unite and interlink the Eurasian continent in its entirety, establishing and continuously strengthening the economies of the humongous area; on the other hand, there is a risk of establishing a world economic model – let alone a new international system – directly tied with and to China and controlled only by it.

Even though, China's different initiatives have tremendous potential, they represent one of the vectors in China's advancement to a new global role. After analysing China's activities in the APR's regional organizations, we can conclude that China is striving to lead regional cooperation in these regions. The Chinese leadership is acting very swiftly and consistently while using different sharp and soft power tools. China plays an active role in world politics, forms a new political space, and expands the foreign policy course's geographic scope. Therefore, one can assume that China pursues to increase its influence within the anarchic international system. For Beijing, it is crucial to provide a favourable external environment for internal transformations and to prevent the economic dominance of another political and economic force in the region – the USA, Russia, or Japan.

Consequently, China's growing power and the tools that the state uses to achieve its goals continue to cause concern worldwide. China has been criticized by international researchers more than once in connection with the debt-trap policies in which countries find themselves in cooperation with the PRC. On paper, may be all about genuine and admirable tasks to be accomplished, but, nevertheless, one should not forget that it is also designed to promote a particular political narrative that creates a favourable condition for China. Narratives such as China's peaceful rise benefits the whole world has not been presented in a meaningful way and, therefore, has not received widespread acceptance or recognition. To share Chinese history, China must strive to embrace and transmit global values that the international community can accept and appreciate. Otherwise, if China's point of view does not resonate with other countries, China's rise will be interpreted as a threat in some parts of the world.

One can conclude that China's attempt to build up the country's soft power makes the mistake of risking an illusory sense of security. China sophisticatedly mastered some forms of soft power, but not its essence. Everything they do could be better defined by the term of sharp power, whose essential attributes are censorship, manipulation, and obfuscation rather than attractiveness and

persuasion. Authoritarian governments do not play by the rules democracies follow. Systematic repression is the hallmark of authoritarian regimes, and the sharp power that they build-up cannot be squeezed into the familiar and sedative framework of soft power. Exhibiting sharp power mechanisms includes co-optation and manipulation, targeting the media, academia, and the policy community. China seeks to permeate institutions in democratic states that might draw attention or raise obstacles to China's interests, creating disincentives for any such resistance. Additionally, the author argues that China is not engaged in public diplomacy the way democracies do; instead, they appear to be pursuing more malign objectives, often associated with new forms of outwardly directed censorship and information control which also could be regarded as an attempt to legitimize illiberal forms of Chinese government.

However, in China's case, one can see how China systematically manages to project itself to the outside world as a prosperous country with an alternative governing model by using different diplomacy mechanisms in various circumstances. It is also evident that China focuses on long-term goals, steadily developing relationships that could be exploited later for possible manipulative policies in achieving clear strategic goals. These strategies are, in particular, a threat to vulnerable democracies.

In general, it is always quite challenging to predict China's foreign policy actions due to inaccurate, vague, very restrained, and often repeated from year to year official formulations. Moreover, the Chinese authorities' foreign policy discourse often has deep national roots, which introduces an ambiguity in the interpretation of global processes by China and other international system actors. The difficulty of making specific forecasts is also determined by the uncertainty of the terms of the fifth generation of the Chinese leadership and the newly elected US President Joe Biden, as a result of which foreign policy priorities may slightly change.

An analysis of China's various sharp and soft power tools suggests that they seek to reduce, neutralize, or pre-empt any challenges to the regime's own presentation, while at the same time also resorting to soft power. However, one cannot be sure about China's real intentions, as China is still a country with a non-compatible to the democratic political regime. China's state-funded research centres, media outlets, CIs, and people-to-people exchange programs essentially mimic the various outgrowth of independent civil society in a democracy and cannot be fully trusted. In

this sense, the author can confirm that China's diplomatic practises implemented in its foreign policy carry abundance of balancing between sharp- and soft power-linked mechanisms. However, due to China's credible ability to set up and then reach its long-term goals, a certain manipulative nature of sharp power-originated applications can be skilfully hidden under soft power practices and, therefore, exploited in China's strategic interests later on. Nevertheless, when the specific national interests are infringed such as challenges to the country's political regime, China does not hesitate to apply sharp power mechanisms, mainly through economic coercion. In a significant addition, China also showed that when there is a possibility to gain recognition it does not delay balancing back to a soft power position. Having considered the critical instruments of China's foreign policy in the APR, this dissertation concludes with the confirmation of its main argument's academic validity.

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