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**NONALIGNMENT PRINCIPLE IN CHINESE FOREIGN  
POLICY**

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## LIST OF ABBREVIATIONS

ADMM Plus	- ASEAN Defence Ministers Meeting Plus
AIIB	- Asian Infrastructure Investment Bank
APEC	- Asia Pacific Economic Cooperation
ARF	- ASEAN Regional Forum
ASEAN	- Association of Southeast Asian Nations
CPC	- Communist Party of China
CPEC	- China-Pakistan Economic Corridor
DPRK	- Democratic People's Republic of Korea
EAEC	- Eurasian Economic Community
EAS	- East Asia Summit
GDP	- Gross Domestic Product
IMF	- International Monetary Fund
NAM	- Non-Aligned Movement
NATO	- North Atlantic Treaty Organization
NPT	- Non-proliferation Treaty
OECD	- Organisation for Economic Co-operation and Development
PRC	- People's Republic of China
RATS SCO	- The Regional Anti-Terrorist Structure of the Shanghai Cooperation Organization

SCO	- Shanghai Cooperation Organization
SEA	- South-East Asia
SOE	- State Owned Enterprise
SSC	- South-South Cooperation
STD	- Sexually Transmitted Disease
WB	- World Bank
WTO	- World Trade Organization

## **ABSTRACT**

The current thesis provides a new outlook on the philosophy of modern Chinese foreign policy. The main point of this thesis is that Chinese foreign policy is unique and that this uniqueness derives from its very unstable domestic socio-political situation. Even if the notion that China is domestically fragile has so many different aspects to it, the main point seems to be that its foreign policy is being driven by the prime consideration of strengthening the mechanisms that keep their undemocratic Communist Party in power. The most relevant and instrumental mechanisms that explain why Chinese people support their political establishment are equitable economic growth and very proud nationalism. More specifically, this translates into two definitive and unique features of Chinese foreign policy: 1) the nonalignment principle in their foreign affairs and 2) foreign aid as form of investment into the status quo, as well as generating praise for Chinese government from various developing nations. It does that by a form of aid that helps maintain domestic growth by securing access to raw materials and agricultural product and by tied aid. From that follow the two main hypotheses that are researched and tested in this work.

The first hypothesis states that in its foreign policy China, by deliberate design, has no alliances. The second hypothesis is narrower and specifies the reasons which make Chinese foreign policy distinctive from that of all other world superpowers. The reason it is unique is that it is designed to keep the CPC in power in the face of a fragile domestic political situation. In testing the hypotheses, the author first contextualizes the reasons why it is essential for China to have their own way in foreign policy, but also how its ruling Communist Party benefits from its individuality in governing their nation in a distinctive manner.

Keywords: Factors of Chinese domestic fragility, Communist Party of China, Chinese Foreign aid, Chinese approach towards alliances

## INTRODUCTION

This thesis sets out the hypothesis that, when compared to all other nations, Chinese foreign policy approach is unique. Mainly because it is under total subordination to its domestic policy, which is very carefully adjusted to keep the country stable. While the other modern superpowers conduct their foreign relations to try and somehow impact the worldwide development and extend the reach of their influence globally, China sees its foreign policy as another tool in the arsenal of domestic policy to keep the country safe, perpetuate the reign of its ruling communist party and to ensure the continuity of its economic development.

To understand the full scope of how China has arrived at its present situation, one has to analyse the historical build-up of the Chinese Communist Party. The shadow of past leaders such as Mao Zedong and Deng Xiaoping still impacts the self-image of modern Chinese political elites who, despite having done a lot to accelerate China's rise, still feel like midgets compared to the authority of the past leaders. In contrast to past rulers, who had a strong personality cult behind them, the paradox of modern Chinese leadership is: in order to maintain their power they must: 1) keep the economy growing, 2) keep the world's largest population from revolting (which could cause an overthrow of the government), and 3) keep control and support of local Chinese military, which helps them maintain the pivot of domestic stability and stops all forms of opposition movements. Yet by applying some illiberal policies, like the censorship protocols that ban the access to google and other popular world-wide websites, the CPC's foreign image weakens as foreign (more democratic) leaders view it at times as oppressive or at the very least 'doubtfully legitimate' organization. However domestically, as polls show, these policies actually make sense to Chinese people who, mostly in the last decade, started to widely support and agree with the way how the CPC is governing China.

China is a communist country since 1949. It is controlled, from every angle and level by the Communist Party of China (CPC), the one 'supra-domestic' decision-making entity with almost unlimited capabilities. It has direct and indirect control over all infrastructure: media, banks, court decisions (judicial powers), military, police and government. Their supra-domestic

powers mean that their decisions are binding to every governmental- and non-governmental institution and individual on Chinese soil. The CPC therefore is not a purely political organization, as it is totally different establishment from Chinese government, which is under CPC control.

What makes analysing the CPC's case so special is that, historically, similar regimes didn't last very long. The organizations constant adaptation to the changing times makes them one of the longest standing non-democratic political parties that still exist and rule to this day. With the "end of history" during the 1990s, which saw the world converging on liberal ideology and the dissolution of many authoritarian regimes, the Chinese ruling elite had to update their principles and philosophies of keeping Communist ideology relevant and find ways for its people to be content with it.

The consensus within the CPC is that no external force can directly threaten the Chinese state-structure. Domestically however, modernization and the emergence of widely available foreign mass media networks have created many threats to the CPC's longevity and survival. When it, arguably, came under the biggest existential threat during the 1989 Tiananmen revolution, Chinese leaders had to use force to stop the population from rebelling. From then on the CPC has applied various methods in adjusting themselves to look as legitimate and necessary, to Chinese people, as possible.

This thesis argues, that because the Chinese domestic system is fragile, in order for the CPC to stay in power it must allocate a lot of financial, as well as intellectual resources to plan and execute various manoeuvres in maintaining the steady development of Chinese society. The core strategy the CPC employs is one of output democracy. i.e. technocratically ruling the country with the full focus to keep people happy by undemocratically producing what they need, its peculiar foreign policy orientation is just a result of that. The main hypothesis of this thesis is thus the perception that China, when compared to such global superpowers like the USA, Japan and EU (single state- or a union-entity), has a unique element in its foreign policy philosophy that is reflected in its nonalignment principle in relations with all external political actors. It is important to note that current thesis regards Chinese foreign policy as distinctive only from other global political and economic superpowers. Many micro-, small-and medium-sized nations are part of low profile Non-Aligned Movement organization, which can be taken as a statement. China however is only an observer in this organization, and its nonalignment principle is evident in certain other, more subtle, ways.

The second hypothesis is a supportive one and it is introduced to both back the main argument via example, as well as act as an axiom on its own. The second hypothesis asserts that



besides the Chinese nonalignment principle, their foreign aid policy (Angola aid model) is also very specific. By applying that model, China gets to aid foreign nations, but at the same time doesn't let its money exit Chinese economy. Also via this policy the CPC provides jobs to its own citizens to engage in various construction projects overseas. This, together with thankful citizens of the aid-receiving nations, generates admiration for the Chinese government both domestically and abroad. Furthermore the engagement in foreign aid seems to be a very important supplementary mechanism that serves the CPC as a factor to solidify themselves in power via generating praise from different developing states abroad.

In researching the topic, as well as to understand the background of the CPC's domestic concerns, the author analysed all the nuances of Chinese internal realities. The most widely employed method of research used by the author was a review of the relevant literature of various Asian, European, African and American authors and experts on China. Special importance was also given to analysing the various official polling data in order to gain a more in-depth perspective on different issues of regime legitimacy. Additionally, some primary sources, such as treaties of different organizations, have been studied to better conclude Chinese participation in such organizations as Shanghai Cooperation Organization (SCO).

The first chapter of this thesis presents the details of what is happening inside of China and why its domestic system is classified as fragile. The chapter is structured to first explain the problem of legitimacy of the main ruling entity of China. It then follows up by the factors of fragility itself, such as ethnic and economic divisiveness of Chinese people, emotional relationships with separated Taiwan and different factors that might provoke domestic social unrest.

Chapter two will elucidate China's concept of nonalignment in foreign policy together with the historical context of how its anti-alliance diplomatic culture had emerged. This chapter also examines the impact of various existential doctrines that different Chinese leaders have brought forward during their reign. The more recent one is the "Chinese Dream", which was coined by the current President Xi Jinping and which can be regarded as both domestic-, as well as foreign policy centric socio-economic initiative.

The last chapter unpacks the second hypothesis. It argues that China's foreign aid model is absolutely unique and quite possibly a lot more effective than the more commonly known Western model. The chapter builds on the premise that China is a peaceful state that aspires to be considered as a responsible global superpower. Its highest public revenue surplus in state earnings allows it to conveniently and more emphatically distribute it around helping large amounts of different neighbouring, as well as distant developing states. The Chinese

government however is very calculating in almost anything it engages itself into. The same thing applies to aid, for states to receive it they must adhere to a couple principles, which can be directly linked to the main hypothesis of this thesis and thus more clearly demonstrate the synergy between the two arguments.

The conclusion sums up main findings to provide a clear summary of the research. Additionally the author will also provide certain ideas on how this topic can be further advanced and improved, as well as limitations of the current research.

## **1. DOMESTIC FRAGILITY**

If one is to only follow the modern global media narrative, China looks like an unstoppable force in contemporary international relations. Looking deeper into its internal structure however, a very interesting domestic situation emerges. Unlike most of the world, China is one of only four modern communist states (the others are Cuba, Vietnam and Laos). Its controversial government manages to keep afloat the system that is not only unique in the modern age, but widely unpopular outside of China. Curiously for the ruling Communist Party of China, the issue of having the word ‘communist’ attached to their name (which adds a certain stigma) is most likely the least of their problems.

To analyse the domestic situation in China, the author researched both the data provided by well acknowledged survey organizations, as well as the expert analyses that are given in secondary sources and scientific articles. Putting together the list of what are the most severe issues of Chinese domestic structure, the reader must note that this work only expands on those problems that are relevant for advancing the main hypothesis. For this reason some less relevant aspects of the theme had to be ignored. For example, the issue of Chinese environmental policy causing some ‘green-activists’ to protest does not draw the attention of highest authorities of Chinese government and thus is of lesser importance to the main argument of this work.

Extracting from the gathered data, the most important issues that cause domestic instability in China are: 1) Systematic governmental corruption; 2) The widening gap between the rich, middle class and the poor; 3) Safety and availability of medicine and healthcare; 4) Provincial, ethnic, and urban-rural divisiveness; 5) Legitimacy of the Communist ruling elite; and 6) Taiwan’s relationship with China and other states, which also refers to wider issue of Chinese national identity.

Captivating is the idea that, unlike many other non-democratic regimes throughout history, the Communist Party of China (CPC) is actively engaged in finding solutions to permanently reduce the social pressures within its country. In keeping the domestic status quo, they are not satisfied with temporary measures to ‘ease the ambience’ and let the upcoming

problems be the headache of China's future leaders. In looking for ways to resolve the social tensions, CPC's leaders have instructed many Chinese experts to thoroughly study and review the negative lessons of many Latin American countries that characteristically suffer from social turmoil due to the enormous gap between the rich and the poor (Shirk 2007, 31).

Being historically a very proactive political and social entity, the CPC familiarising itself with what bothers the Chinese citizens, has learned to adapt the policies, their enforcement, and the way the process of governing is presented to the general Chinese public. The economic super growth that started in late 1980s, not only made China to be considered one of the strongest economies in the world, but also has bred a new generation of Chinese who are very capitalist-minded. According to some sources, more than 90% of Chinese would support any government as long as it would keep the current economic progress undisturbed (Ping 2015).

The current chapter of this work explains the nuances of Chinese domestic system that will help to set the relevant context in comprehending the thesis of this work in the following chapters. It is structured to logically explain the relevance of the aforementioned domestic problems and how, despite so many difficulties, the Chinese ruling elite is successfully dealing with them.

## **1.1. The legitimacy of the Communist Party of China**

The Communist Party of China, despite its name, is not solely a political establishment. In many ways it can be considered as a social entity that has total control over all aspects of society. This classification makes sense, since under Mao Zedong's 27 year rule of the PRC the communist ideology-driven China was ruled by totalitarian principles. During Mao's era the CPC's legitimacy was comparatively stronger than it is today. That is because Chairman Mao's power came more from his personality rather than from his status as CPC leader. The errors made by the party from 1949-1976 were generally discarded as mistakes of individual members, rather than being caused by systematic incompetence.

Shortly before Mao's death, his influence began to fade and people started to take more notice of the CPC's actions and thus held them accountable for all the miseries the policies caused. This became even more amplified during Deng Xiaoping's economic reforms, which began in 1978 (Kissinger 2011, 451-452). Since then every social change was immediately

linked with party's success or failure. In addition, the post-Deng Xiaoping's China is referred to by some intellectuals as a party-state (Cheng 2008).

When, throughout the 1990s, the latest wave of democratization hit the global political landscape, the pressures laid on the CPC become the strongest they had ever been. When borders became more open and trade with foreign nations gained momentum, the Chinese became more familiar with other cultures and alternative ways of life. This led to unprecedented questioning of the CPC's legitimacy to rule over all aspects of the country.

Analysing how the communist leaders rule the country an interesting scheme becomes visible. The CPC, albeit qualitatively not being same entity as the government, historically ruled the country from every side. To this day, the party has total control of the governmental personnel (almost all are CPC members) as well as the judicial processes. All the laws passed or blocked are reviewed by the special legal committees of the communist party (Shirk 2007, 60). Even China's central bank isn't fully independent from CPC control. Before any major decisions are enforced the banks seek approvals from the peak government officials (Davis and Wei 2014). Overall it makes sense since Chinese economic growth has been very successful and consistent under the total leadership and control of the CPC. However in times of any form of miscalculation the angered Chinese population won't be able to distribute the blame on different political and economic organs, making any problem harder to fix or outright dismiss.

Adding to the problems is also the fact that the modern Chinese regime is still classified as Communist. Bearing in mind that the idea of communism has never truly materialised in practice, many Chinese people are very sceptical of 'the time bomb' that is their party-state political entity. Furthermore one of the biggest problems of the CPC's domestic legitimacy is their lack of external support. Since most foreign powers who can compete with China economically are democracies, China often stands out from the group. During international summits, Chinese negotiators are often viewed as representatives of Chinese elites, rather than its people (Brown 2015).

In view of all these developments and considering all the realities that shifted the course of Chinese society during the 1980s, one can understand the build-up that led to the revolt which rapidly escalated to become the biggest threat to the CPC rule in the history of the party's existence.

### **1.1.1. Tiananmen and its impact on censorship policies**

When, under the leadership of Deng Xiaoping, China started to transition into what would later become an economic superpower, Chinese society found itself confused by all the rapid changes, both in the world and in their own country. Xiaoping's policies for opening up to the world and attracting new investors into China was very different compared to what was happening during the more domestic-centred rule of Mao Zedong.

With real big changes happening in China throughout the 1980s, many people were overwhelmed, exhausted and even disappointed in seeing how new economic policies enriched some, but harmed others. China, which was until the end of 1978 a socialist community adopted a new model of what Deng Xiaoping called "Socialism with Chinese characteristics" (Vogel 2011, 397). The basic principle of this system is to adapt the socialist country to the capitalistic outside-world and not make them mutually exclusive, like it was in Soviet Union for example. Interestingly the modernization of China went contrary to the classic communist theory of having socialism as a government empowered transition period between capitalism and establishing true communism. Instead, in China, the central pillar of the new paradigm embraced the ultra-capitalistic nature of the global economy. The new commercialized thinking brought a lot of social change in people's everyday lives. Despite many macro-changes being vital to reframe and advance Chinese mercantilist economic policies (that helped China to become an economic giant), there were also those that destabilized the Chinese general public.

Students were especially vocal about the unjust treatment of Chinese population by their ruling elite. The vocal protests emerged under the idea of turning the country's course toward more democracy in domestic affairs and more transparency in all policies (Mesiner 1999, 500). In 1989 the protestors, whose main group gathered on the Tiananmen Square in Beijing (but also in other cities), believed that Chinese people were miserable mostly because nobody could really point at the direction the country was going and what to expect from the future.

Ignoring the General Secretary of the CPC Zhao Ziyang's proposal for a held-back, less proactive and more dialogue-based approach, the Communist party, lacking previous experience in calming down large-scale revolts, decided that these protests were a direct threat towards the existence of Chinese ruling party and agreed to conduct proactive measures. Under the orders of Den Xiaoping, the Chinese elite commanded in massive numbers of military troops from all over the country. The idea was to just scare people off or at the very least that the fear would calm the masses. The plan failed however and when people (whose count in Beijing was around 1 million at this point) didn't scatter the military received orders to use

force. On June 4, 1989 the military overwhelmed the crowd by opening fire en masse on the civilian protestors. (Rayman 2016). The death of 241 people (according to official data from Chinese government) was a national tragedy that echoed worldwide. Many foreign political and military experts estimated the total death toll to be much higher than 241, with some predicting it to be, counting the deaths of both military personnel and civilians, between 800 and 1000 (Kristof 1989).

In the aftermath of this tragedy, combined with large global political changes (the fall of the Berlin wall and termination of all the communist regimes in Europe), the Chinese leaders started to panic. With strong foreign diplomatic pressures and economic embargoes, Chinese leaders felt that their country was doomed to transform as well. However the true leader of China, Deng Xiaoping, having analysed the situation calculated that it was the time to instil a new doctrine on the course China was taking and to change the CPC's mind-set toward balancing the domestic and foreign policy in accordance with the changing times (Vogel 2011, 544). His paradigm-shifting speech set into motion the grand strategy that can still be traced in modern Chinese politics: "Of all China's problems, the one that trumps everything is the need for stability. We have to jump on anything that might bring stability and we can't care what foreigners say. We will use severe measures to stamp out the first signs of turmoil as soon as they appear. This will show that we won't put up with foreign interference and will protect our national sovereignty." (Shirk 2007, 38)

After the Tiananmen incident, the CPC, having reviewed all the footage and documents they could get, set out the strategy that must be followed not to allow such a situation to arise again. The formula for stability was thus established and structured by three areas: 1) To avoid public leadership splits (Ibid, 39); 2) To prevent large-scale social unrest (Ibid, 52); 3) To keep the military on the side of the party at all times (Ibid, 69).

The need to tighten the control over the military is linked to creating the synergy and coercion between security-based state institutions. After Tiananmen, the Ministry of defence, State security, Public Security and Justice have all been upgraded. Also the philosophy of how to apply CPC control over these institutions was more closely examined. For example the CPC appoints all judges in the country and has the final say in all court verdicts. On the other side, the Ministry of public security is controlling people's assembly really closely. All organizations, without exceptions, must register themselves officially with the government (Ibid, 67). All of this allows the CPC enough of a 'buffer zone' to reevaluate potential threats and to act more efficiently in resolving public outbursts.

In the aftermath of Tiananmen, the CPC, in order to remain consistent with the way they lead the country and to avoid any additional leadership errors, started to take the extra measures to keep their inner dealings secret from the public. The media sometimes are only allowed to report on the facts that certain meetings took place and on what topics, but never the substance of what and how the topics were discussed. All leaks or speculative journalism is punished severely. (Hoon 2014).

The ‘wake-up call’ effect that Tiananmen had on the Chinese ruling elite forced them to rethink their ways of controlling the mass media channels that are popular with the citizens.

With the widespread emergence of the Internet in the middle of the 1990s, the CPC’s total control over Chinese media became more problematic. To tackle this new phenomenon of mass communication, Chinese officials allocated a lot of resources to upgrading the toolkit of their executives who monitor the mass media activity. Mainly for this reason the Department of Propaganda officials became quite influential in China and joined, together with two other CPC departments, a very powerful group called the “control cartel” (Shirk 2007, 42) (consists of three Departments within the CPC: the Department of Organization, which is in control of accepting new members into the party; the Department of State- and Public Security, which is in charge of China’s domestic police force; and the Department of Propaganda that controls the media).

As an instrument to control the society and keep the CPC in power, the Department of Propaganda became even more important during the administration of President Hu Jintao. In his speech addressing the phenomena of how the internet impacts Chinese civil society he said: “Some people are exploiting the internet to attack the government and the Communist party (...) The Soviet Union disintegrated under the similar assaults of Westernization” (Ibid, 47). This speech acted as the green light towards strengthening the political control over the internet even more than before. The CPC Department of Propaganda tightened its grip over the commercial media and internet news accessibility of Chinese population. New fixed censorship policies started to become more widely applied. More specifically the strict monitoring of discussing the three most taboo domestic topics referred to as the “Three T’s” (Taiwan, Tibet and Tiananmen) (Tuttle 2015).

The same censorship and content filtering was applied by media in presenting the Chinese foreign policy. Noting the trend that Chinese people are using the internet much more often than printed media sources, the CPC started to push nationalistic slogans via Chinese online media channels (like People’s Daily and Global Times). In 1999, after the accident when NATO bombed the Chinese Embassy in Yugoslavia, Global Times wrote all kinds of comments



implying that this was a deliberate attack. This aroused many patriotic sentiments within Chinese society, in many ways bringing them together as unified people. To this day many Chinese, including experts, still think the US bombed the embassy because it had obtained and kept inside some parts of US Stealth Fighter plane and with it the technology on how China could also create similar aircraft (Shirk 2007, 85).

Noticing that media can be used to stir Chinese nationalism, which is a positive thing in keeping the communist regime legitimate, Chinese foreign policy makers started to pay very close attention towards the internet activity of the general public. They read the comments people post, read their point of views, conduct different online polls and sample mass opinions. Previously all the polling was conducted by sending CPC members to various provinces and having them talk to people and write a report. The problem with this approach was that often these reports were summed up incorrectly to please various CPC officials or to fake the reality and present bad situations as good (often in fear of losing one's job or worse). (Ibid, 100)

Understanding that arguably the biggest reason which led to the Tiananmen incident was the youthful recklessness of the Chinese students. Knowing that most of the people who revolted were young and ambitious, but also confused and by that inspired to ignore any authority in their dreamful desire to see and initiate changes within China, the CPC devoted extra time and party resources to carefully monitor and censor student's activity in the online sphere.

In 2009 China had 298 million Internet users (22% of its population), with almost all the Chinese students being included in that number (Jiang 2009). On the bright side, the promotion of digital services helped to elevate and advance the Chinese economy by introducing many new e-technology based sectors. However for the CPC, it also meant that the masses acquired new and improved ways to communicate. The very controversial response from Chinese authorities was to introduce a large set of online laws and regulations which legally blocked and censored a lot of foreign online content. Famous examples are such social media websites as Facebook and Twitter, but also online search engines such as Yahoo and Google (Fu 2016).

Often this attempt to fully control the public and especially younger generations leads to emotional outbursts and protests. Between 1993 and 2004 a trend was noted in the Southern part of China that the increasing amount of 'netizens' is correlated with an increased amount of social protests. (Shirk 2007, 57) Positively for the CPC, this gave them enough experiences and knowledge on how to act in these situations. Susan Shirk, an American expert on China, writes that encouraging the protests and using them to infiltrate into the general public became one of

the newest CPC survival strategies (Ibid, 66). A famous strategy that became used by the CPC is to identify with the protestors, agree with the idea about their discontent and, together with the ordinary Chinese, condemn the local governments as faulty. However after the protests are calmed down, the CPC puts the leaders who started the gathering into jail.

### **1.1.2. Regional elections**

Another big innovation in the CPC's tactics to maintain the domestic power status quo is to allow various rural regions to have their own local democratic elections. Partly this came about when the CPC polling experts discovered a pattern in the system of local governance that caused the social unrest among the rural population. The problem emerged when the economic transitions allowed Chinese to start attracting numerous foreign businesses. The rural population felt deceived by their local government's direct harmful actions and central government's inaction when, for commercial purposes, provincial city elders started to give the land away to businessmen. They did it, however, without properly compensating or providing an alternative to the local population. When the people had nowhere to go and no direct options to voice their concerns they became frustrated. Because they couldn't go to court, since the land belongs to the government and they couldn't put the 'democratic vote pressure' on their unjust leaders, public protest was then the only action they could perform to show their discontent. Understanding that any protest has the potential to get out of hand and with the fresh memories of Tiananmen incident, the Chinese central government set up a mechanism to keep these rural citizens under control.

Even if on the very basic levels (proposing the prices of water and electricity) (Fiskin 2010) local elections were already tried during the late 1980s, the more advanced and specifically planned mechanism of creating the system of local democratic voting came as a result of President Hu Jintao's agenda to finance the research of finding various causes of revolutions that triggered the fall of many regimes (Cheng 2008, 216-218).. Hu Jintao ordered the organization of many think-tanks in reviewing the 'Colour revolutions' to learn how the government can counter peaceful protests from its citizens. When the study results, together with the proposed action plans became available the president decided to experiment to see how democracy (of course under strict control of the CPC and only on local levels) can co-exist with the communist principles of China. Although these kinds of elections are democratic the CPC

does not allow new political parties to form, however non-CPC individual candidates are allowed.

If the choice is between representative, but uninformed mass opinion and informed but unrepresentative elite opinion, the idea here is to combine the two (Fiskin 2010). The CPC thus is giving local masses the chance to choose their own representative and hold them accountable for the power they were given by the local population. Additionally under the view of political strategy, this regional approach is also a way for the central organ of the CPC to keep its local branches under control, further solidifying their grip on power.

### **1.1.3. Economic growth as a vital element**

In spite of all the aforementioned factors perhaps the most important way for the CPC to maintain their rule is continuous economic growth. The term “performance legitimacy” (Verna 2015), which is almost a philosophical concept in describing a social contract between the state and the population, in which the state is legitimate as long as it performs its duties towards its citizens. That term became widespread during the 1980s era of Deng Xiaoping, exactly when the CPC was going through its existential crisis of transforming the country towards an open global economy.

Compared to undemocratic modern-day Belarus, where the middle class is enduring the regime because many are sure that with the overthrow of their dictatorial President A. Lukashenko the aftermath of the economic decline will be impossible to bare. The Chinese masses see the situation in similar manners. They understand that sustaining the biggest economic development the world has ever seen and keeping the proud nationalism alive within the country is an extremely unique thing to accomplish and it is very unlikely to continue after a regime change. The CPC also understands the significance of how economic growth is most likely the most important factor in keeping the population’s political loyalty (or indifference). As long as the Chinese people are making money and the poor have steady opportunities to break into the middle class, most of the domestic affairs should never go completely out of control.

Similar to the theory of the ‘Golden Billion’ (a theory which is primarily and widely used in Russian political science circles, which views the middle class as the ultimate buffer zone between the rich and the poor, consequently acting as the balance of peace between the two) Chinese elites know that middle class citizens will be content with any rule, as long as

they see their country progressing and the population becoming richer (Kapa 1999). From the beginning of 1990s the availability of commercial opportunities via the open markets were huge for Chinese, all one needs is money to buy what he or she desires. This puts the population's focus on earning money and working for the state's economy, rather than protesting against the government.

Overall the legitimacy of the CPC is a constant uphill battle in trying to provide the best possible services and opportunities to their citizens, but at the same time holding the tight frame in keeping the ideological order in China.

#### **1.1.4. Anti-corruption campaign**

Under the leadership of China's latest leader Xi Jinping, the CPC took a harder and more proactive stance on tackling and controlling the social attitudes of the Chinese population. In 2012, taking seriously the most recent surveys showing that the corrupt governmental officials are the top Chinese concern (Wike 2016), President Xi Jinping initiated a widespread Anti-corruption campaign. In his speech, during the Second Plenary Session of the 18th CPC Central Commission for Discipline inspections, he said: "Power must be 'caged' by the system, we must setup a mechanism to deter corruption, (...) a warning mechanism to prevent corruption (...) and a guarantee mechanism to curb corruption." (Jinping 2014, 428) These words demonstrated by good leadership qualities and determination echoed well with the Chinese population.

Understanding the nuance of a "negative multiplier effect" (Pettinger 2011), the CPC acknowledges that corruption damages the economy many times harder than it enriches the corrupt official. For that reason, the leadership of the CPC considers corruption as the worst form of crime in China. The reason, beyond the obvious ones, why corruption is so damaging is because it results in multiple layers of harm to the state: 1) The main layer is the economic damage caused by removing capital from circulating within the state (or international) economy; 2) Next layer is about damaging the Communist Party authority by causing disequilibrium within economic growth and potentially setting back various economic policies; 3) The last layer further damages the state's social factor, by which people who see the corruption happening will surely feel that they were right about the corruption all along. The population will feel entitled to simplistically comprehend many deep reasons of such issues as wealth-gap and air pollution, by blaming all on the corrupt and illegitimate CPC.

Knowing this context one can make sense of Xi Jinping's message during the 2014 Third Plenary Session of the 18th CPC Central Commission for Discipline inspections, where he said: "We must prevent the party from succumbing to decay and degeneracy (...). Any delay of preventing the corruption may lead to more serious problems and must not be allowed." (Jinping 2014, 438)

From 2012 until 2016, the Anti-corruption campaign had highlighted the purge of more than 100,000 people (CSIS 2016). Important to note is that every time a high-profile official was caught, the process of his prosecution was publicly shown to keep the population informed (which, as mentioned above, payed off very well by generating more support toward the Xi government) (Rajagopalan 2013). Showcasing the successful arrests and publicly shaming the wrongdoers goes back to Xi Jinping's policy (from his aforementioned speech) of setting up warning mechanism and create a culture of non-corrupt China.

Contrary to how during Mao's China most businesses had to be directly linked to the Chinese government, in modern times the State Owned Enterprises (SOE) can operate on their own if they are small or medium sized. Still however the most revenue generating, big SOEs are under strict governmental control (for mutual benefit) so every form of corruption or mistreatment of the hired Chinese workforce can be a direct hit to the central committee of the CPC (Bradsher 2012). For this reason, excluding the purging during Mao Zedong's 1950s, the zero tolerance principle towards SOEs under Xi Jinping is the biggest attempt in cleansing the corruption in contemporary Chinese history. (The economist 2015)

It is important to note that even with every proactive measure the Chinese government is undertaking there is always a human factor that they must consider. As there are many ways for the CPC to carry out their policies of self-preservation, the all-in approach in maintaining the economic growth might not be enough. Since as long as there is no true form of communism within the state (capitalism and socialism), there will be incentives for corruption, which will in time lead to public outrage. This situation can be very problematic for the status quo seeking officials, since if the poorer segments of the population will feel like they are not benefiting from the economic growth, they will also feel no encouragement to support the system as it is and potentially protest for changes.

## **1.2. Social unrest**

### **1.2.1. Income inequality**

With the new era of economic development, many Chinese have started to engage in and own successful businesses, which allowed them to gain direct access to large amounts of capital. However this also means that starting from the 1990s, income inequality (the CPC calls it “polarization”, Shirk 2007, 30) proceeded to widen. Taking notice of all developments in Chinese society and fearing another Tiananmen incident, all modern CPC leaders are paying very close attention to Chinese people’s sentiments, feelings and thoughts on this issue.

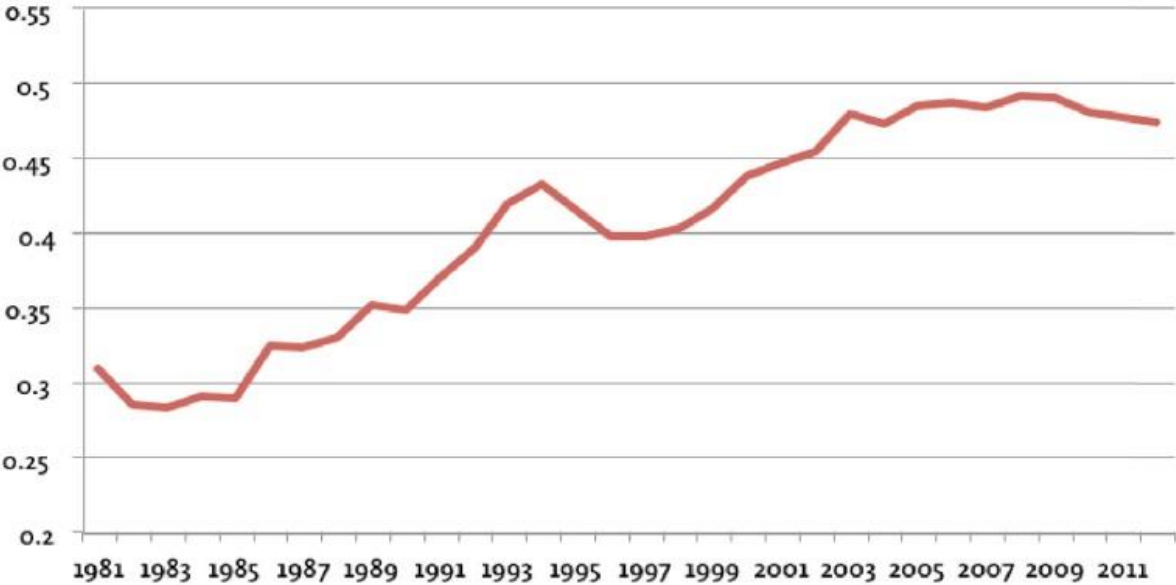
After the year 2000 China showed no signs of developmental slowdown. The administration of President Hu Jintao doubled down on making sure that China’s people know that the CPC truly cares about all Chinese, irrespective of social class or ethnicity. In 2006 Chinese Premier Minister Wen Jiabao, in his Lunar New Year speech, promised to personally pay close attention to maintaining and improving social equality within the country (Xinhua 2006). It was correct and wise decision by the CPC to have the Prime minister directly address the issue, because at this point in time many Chinese were engulfed in the reality of seeing the direct gap between the rich and the poor. Naturally, the most politically damaging kinds of inequalities are the ones that the population can witness with its own eyes.

As the times progressed and technology improved together with new inventions, people also started to see who could afford to buy these very inventions. With open markets, many rich Chinese had a lot of new ways to spend their money, but with that they directly demonstrated the contrast between the lavish lifestyles of rich to those of struggling poor and working-class.

When the ‘polarization rate’ analysis was first made by the CPC in 1997 (Fairbank 2006, 59) its results showed that, counting averages from very top to bottom, the property value of rich was 7.85 times higher than that of the poor. According to the 2015 GINI Index of income inequality (a measure of inequality ranging from zero, which represents perfect equality, to one, perfect inequality) China is ranked among the most unequal countries in the world (by income distribution among citizens), with a rating of 0, 46 (The World Bank GINI index) (everything that is above 0, 40 is classified as ‘severe inequality’). According to many Chinese economic experts the situation seem to be slightly improving after Xi Jinping became president at the end of 2012. The improvement is also reflected in the GINI rating of 2016 that came out with a decreased number (positive result which means that income distribution got more equal, which

was unprecedented in the past 20 years). However, despite approving the policies of President Xi Jinping, the experts say that the improvement in rankings is due to more rapid transition of poor becoming middle class, rather than middle class catching up to the ultra-rich. (Wildau 2016)

Figure 1. Income Inequality in China, 1981-2012



Source: (Sicular 2013, The World Bank)

As figure 1 shows, when in 1979 Deng Xiaoping initiated a wide-scale economic transition towards capitalism, the average inequality of income started to gradually increase. Looking deeper into the issue of domestic income distribution, it turned out that the Chinese ‘Economic miracle’ only affected about 1/10 of the population, mostly in its South-Eastern part, where the country’s main production facilities are situated. The concentration of great economic and financial resources in a limited area inevitably means restraining the development of other regions of the country. China is characterized by a large income gap between residents of coastal provinces and poorer western regions. Ten western parts of the country, according to Chinese statistics, remain at the level of absolute poverty or ensuring only the most necessary. (Sun 2013) This means that more than 415 million Chinese citizens are living on less than two dollars per day. With its 14,300 dollar average GDP per capita (PPP), China is positioned at 113 in the list ranking the poorest per capita nations in the world (The World Factbook, CIA 2016).

Fearing that wide disparities between the thriving coastal areas and the poor heartland could threaten the national unity of the Chinese people the CPC is actively engaging in reducing

the tensions in any way it can. President Hu played an active role in paying many visits to China's poorer regions to show to citizens that authorities have not abandoned them and do keep them in mind when figuring out how to fix the polarization problem (Shirk 2007, 31). Currently the main policies that succeed in tackling the income inequality are divided into two groups, the ones that are applied in rural areas and those that are adjusted to very different realities of Chinese urban work-force. In rural areas, from 2007 the CPC has invested massive amounts of capital to set up many new and modernized manufacturing factories which, operated by the State Owned Enterprises (SOE), provide well-paying jobs to local citizens as well as good tax revenue for the government (Cheng 2007). Important to note is that in these new industrial zones the wage gap (which is only part of the wider polarization problem) started to decrease primarily when the wage-payout policy began to be determined by meritocratic principles, which stand in total contradiction to the classic socialist paradigm. The polarization problem in urban areas was addressed by more general means. The "Income Inequality Reform Plan" (Salidjanova 2013, 6), which is part of the "Harmonious Society" (Sicular 2013) doctrine of President Hu Jintao, set forward a direct action plan that aims to make Chinese society more equal by the year 2020. Some of the reforms include the raising of minimum wages of the poor, reduction of interest rates of Chinese household's bank loans (mostly aimed at families looking to purchase real estate), raise taxes on richer citizens (by adding the luxury product consumption tax) and lowering the income of various government officials (Salidjanova 2013, 4-5).

From 2005-2010, President Hu Jintao set forward his doctrine of "harmonious society" (Sicular 2013) under which he set up various poverty-alleviation programmes whose purpose is to maintain the nation's unity. In some ways similar, but from a wider perspective very different, to Northern-European models of welfare state. This doctrine can be seen as unique in a way, as its main goal is to look at the situation of governance from a more absolute and scientific angle (instead of flexible and pragmatic approach, which is applied by many democratic countries.). The main themes of developing the scientific strategies to find new ways of tackling the social inequalities are, according to Hu Jintao: "putting people first by focusing on comprehensive, coordinated, and sustainable governance" (Chan 2008). In developing the scheme of action, Hu named five areas of development that all need to be balanced out in order to address and overcome the social disparities of present day China: 1) rural vs urban; 2) coastal vs central and western; 3) economic vs social; 4) human vs nature (ecology); 5) Domestic development vs openness to the world. (Ibid)

Once again via the capable leadership the CPC has found a way to at least partially and temporarily solve the problem. But be that as it may, the social issues which are mostly



generated by the unpredictable human factor and which from their essence aren't caused by the government are notoriously difficult to resolve without predicting them in advance. Interestingly the modern philosophy of policy creation and application by the CPC has a pattern of first setting up a bigger fundamental doctrine and then using it as the main 'flagship-platform' to more smoothly engage or navigate between various other problems. The mentioned doctrine of "Harmonious society" is perfect example of this philosophy.

### **1.2.2. Healthcare reforms**

In enforcing the "Harmonious society" principle, the Chinese government allocated large amounts of money to keeping the rural population in balance with more wealthy urban citizens. The biggest reform they initiated was the 2006 healthcare reform. Its main aim was to help lower class rural citizens and minorities afford their healthcare.

Starting with the healthcare reforms of 1982, Chinese infant mortality fell from 200 to 34 deaths per 1000 infants born (Blumenthal 2005). This was hugely welcomed and celebrated by the Chinese population and boosted the CPC's damaged legitimacy. However, in the beginning of the 1990s, the Chinese government reduced its national healthcare spending from 32% to 15% of GDP (Ibid), which significantly increased the self-funding of personal healthcare by Chinese citizens. The problems started to emerge when people could not afford to buy expensive new medicine that all doctors were selling.

The potential for new social unrest started to be felt by the CPC, especially among underrepresented minorities and ethnic Chinese from the poorer rural areas. Being very experienced in feeling and predicting social tensions, the CPC started to experiment with various healthcare programs that could equalize the Chinese society. Many regular Chinese felt that the "health inequality" (Qian 2009) within the country was dividing the social classes even further. When 90% of poor rural Chinese lacked resources to fund even the lowest quality healthcare, rich and working class Chinese in large urban cities almost all had regular doctor visits in more expensive and higher quality private clinics.

According to some expert analyses (Yang 2012), the solution would be for the Chinese government to specifically target rural areas when enforcing their healthcare-improvement policies. Famous for taking every research seriously, the CPC decided to take measures. Under the doctrine of "Harmonious society" and after various experiments from the early 2000s until 2006, the administration of President Hu undertook the most proactive chain of decisions in

equalizing the Chinese healthcare platform. The natural first step was to set up a system of continuous governmental healthcare spending increase. From 156 billion dollars in 2006 it gradually increased to 357 billion in 2011, with the plan to reach 1 trillion by 2020. (Le Deu 2012) One of the biggest adjustments to the policy was the difference in citizen's healthcare coverage amount by the government, which increased from 43% (of total population) in 2006 to 95% in 2011 (Ibid).

From 2012, under the leadership of President Xi Jinping, the Chinese government has further upgraded the system of equalizing the healthcare aid distribution. In 2013 China spent an estimated 5.4% of its total annual GDP on financing the further development of their healthcare. (Nofri 2015) Recent reforms were mostly divided into "5-year plan packages" (Ibid) and are aimed at achieving the year 2020 goals set by the Chinese government. Starting from 2015 China started to heavily invest in think-tanks and innovation projects. The main goal is to invest in future 'aging population' problem that both the Chinese government and normal citizens are well aware of. The most well-known programs are: 1) "New Rural Cooperative Medical System" (WHO 2016), , under which the rural population will get total medical costs covered by the government, as well as easing and speeding up the process of obtaining health insurance; 2) The project "Healthy China 2030" (WHO 2016), under which the CPC aims to heavily invest into Chinese own medical innovations and new technologies to make future medicine more effective, available and cheap; and 3) "World Bank Health Project Nine" (World Bank 2016) where China aims to further reduce Child mortality in its non-metropolitan regions and improve the system of Sexually Transmitted Disease (STD) prevention.

Investing in the healthcare system is only one of the ways in which the CPC is balancing out the divided Chinese society. Potential solution of unifying the community, by dismantling the social labels of having some Chinese classified as town- and some as village folk (farmers and manufacturers), is out of the question for the CPC. The urban population migrating to cities is not only a socio-economic problem, as many will struggle to find a job and turn to crime, but also a problem that is directly concerning the political elite. Therefore in some ways the fact that the Chinese society is so divided plays a huge role for the CPC if its aim is to keep itself in power. Being the central piece within the large domestic system, where many people alienate and discriminate their compatriots, is very beneficial and is a good example where (on the governmental level) the famous saying 'divide and conquer' is still relevant today.

### **1.3. Issues of ethnic division**

Among the many domestic problems China has, one of the biggest, most severe, vicious and difficult to solve is the issue of ethnic minorities. Even though China is the fourth largest country in the world, 1/3 of its total territory is comprised of five autonomous regions: Tibet, Inner Mongolia, Xinjiang (or East Turkestan), Ningxia and Guangxi.

In 2016, ethnic minorities only accounted for 10% of the Chinese population, but while Ningxia, Inner Mongolia and Guangxi are comparatively stable, Tibet and Xinjiang are considered vulnerable and problematic border regions (Shirk 2007, 58).

Arguably the most problematic region is Xinjiang. Its Sunni Muslim Uyghur population is characteristically aggressive and, especially from 1990-2001, committed around 200 terrorist attacks both in their own border region (keeping border relations unstable), as well as in the Chinese capital Beijing. (Ibid)

From 2001 onward, the Chinese authorities took the Xinjiang region under heavy surveillance to prevent any further attacks. Nonetheless the troubles didn't stop. Since Uyghurs make up 45% of total population in Xinjiang, the Chinese officials are having difficult times keeping the situation under control. The well-known 'one family-one child' policy could not be implemented in traditionally large family-unit based Turkic community. When Chinese officials tried to reason with Uyghurs and explain to them that the overpopulation will be an issue and that one of the solutions is to not have more than two children per family, the Uyghurs took further offense. Since high birth-rates correlate with unemployment, many young Muslim men are leaving the Xinjiang to join the ranks of well-paying terrorist organizations in the Middle East.

In 2012, the Al-Qaeda leader Abu al-Libi publicly rallied the Xinjiang Uyghurs to start a holy war against Chinese authorities. (Khodakov 2016). Taking credit for killing Chinese civilians in the name of Allah further stirred panic in Chinese society. Public opinion demanded that the CPC take drastic measures to prevent as many attacks as possible.

The situation in Tibet is not much better. The long-standing mutual hatred and cultural-intolerance between Tibetans and neighbouring Uyghur Muslims becomes even more heated considering that they are religious antipodes. The fact that their regions are neighbouring only further amplifies the conflict. For the Chinese government the problem mainly lies in two issues: 1) The religious intolerance between Uyghurs and Tibetans means Chinese leaders can't

do much to resolve the issue within; 2) Tibet's bordering with India might provoke Indians to defend Tibetans should Chinese put extra pressure on that region (Twining 2009)..

Developing a more extensive understanding of why Tibet is a problematic province, one must know the full context of its geo-political position inside China. Tibet is the second largest Chinese province by total area (after Xinjiang), but also the poorest. Its 6 billion yearly GDP is more than 10 times less than the richest Southern region of Guangdong. While the nominal GDP per capita is 15295 RMB (2200 USD) in Tibet and 44736 RMB (6466 USD) in Guangdong (China's regional economies 2016). Since the Chinese economic miracle does not fully reach Tibet, the rich- and middle class Chinese message to them is to persevere now in the name of more prosperous future. The economic hardship however is not that big of an issue for the Tibetans, since their fight for autonomy is primarily rooted in their deep spirituality and religious centrism. For these reasons, the physical world is secondary to Tibetans and gaining religious autonomy will always be their ultimate prize.

Unlike the Uyghurs, Tibetans rarely rally and protest outside of their own province. The most recent and widespread protest was the 2008 Tibetan unrest that left more than 400 people injured (CNN 2012). After the CPC authorities described the situation as being the most serious in decades, the reactions from the Chinese population were mixed. Chinese intellectuals and writers took a more solidaristic position and advocated for understanding, compassion and dialogue with the Tibetans. On the other side, the average Chinese population sided with the narrative of the CPC and labelled Tibetans as separatists. (UN, EU Human Rights Desk).

According to some informed sources, the CPC uses the unstable nature of Tibet's autonomous region to maintain a fragile regional status quo, which helps them stay in power. By putting Han Chinese as Beijing's representative of Tibet Autonomous region the CPC uses the divide and conquer strategy in governing China. (Tuttle 2016)

Surprisingly the modern Chinese ethnic issues are historically quite recent. Despite minor conflicts, China was home to many different ethnicities long before the communist party (or even ideology) was formed. However, when Mao founded the PRC in 1949 he annexed the minority regions and tried to integrate them all as one into the main Chinese community. Deng Xiaoping acted with more grace and allowed the signing of 1984 Regional Ethnic Autonomy Law, which would guarantee the minorities self-government. Yet, in practice, none of the Chinese linguistic, ethnic and religious restrictions were removed. (Famularo 2014). This is why to this day many ethno-religious minorities in China feel that they were betrayed by the Chinese rulers. Groups in Xinjiang and Tibet especially demand absolute religious freedom and

independence. Worse than betrayal is the Chinese nationalistic discrimination towards minorities and treating their regions as poor peripheral zones.

With Xi Jinping's very strict domestic doctrine and the idea of rejuvenating China into a strong and stable global entity, the policies towards Tibet have been adjusted. As a result, even if it still is the poorest province, Tibet's yearly GDP growth has increased. Many Tibetan analysts believe that Xi Jinping's current policy of trying to bring businesses to Tibet will have the positive long-term effect of partially resolving the Tibetan tensions and activating this region to be more productive for the benefit of all citizens of China, as well as for the government. (Central Tibetan Administration 2016)

The core problem of having so many different cultures all living together under one government is one of the main arguments for why switching to Western-style democracy won't work for China. Deep inside Chinese have to understand that most of these issues emerged externally (Uyghurs identifying themselves more with foreign Muslims than with compatriot Chinese) and actively trying to solve them from within might not be possible, nevertheless like with so many topics regarding China, time will tell.

## **1.4. Taiwan**

### **1.4.1. The emotional topic**

Of all the foreign elements that became part of modern Chinese political culture, three are the most emotionally charged: 1) relationships with Japan; 2) economic and political competition against the imperial-minded USA; and 3) the reunification of the separatist, historically Chinese island of Taiwan (Shirk 2007). While all the topics regarding the US and Japan are purely external issues, Taiwan is still almost unanimously considered a part of the Chinese homeland.

Had China and Taiwan not been interlinked by deep and very emotional common history, then territorially and geo-politically Taiwan with its 23 million population, would be expendable to China (Shirk 2007, 185). All the trouble in getting it reunited aren't worth the damage to China's international reputation and neutrality in many cases. But as part of CPC's nationalism-boosting agenda, which seems to be an important mechanism for creating support

for the regime, the Chinese schools are teaching the pupils a very propagandistic history involving Taiwan's separation.

Since culturally the Chinese are a very proud people, the communist regime has used that to its advantage. Back in 1949, when Mao established the PRC, the party officials were successfully indoctrinating the youth (the future generation) providing the historically perverse education where it portrayed China as the just and honourable fighter against all evil (Shirk 2007, 62-64). Students were taught that Japan is the number one enemy of the honest and righteous Chinese people. The Japanese imperial crusades in China were portrayed as even crueller and more immoral than they were in reality and that the historical separation of Taiwan was an act of China's absolute humiliation.

The portrayal of China as a 'herbivore state' that throughout its peaceful existence was always harassed, scolded and belittled by aggressive foreigners worked wonders in creating a neo-nationalistic Chinese identity (Meisner 1999). As a consequence of forcing the creation of nationalism under the strong absolute leadership of charismatic Mao Zedong and then strategic Deng Xiaoping, modern Chinese culture adopted a specific nuance under which the masses cannot stand leaders who appear to be weak. This is why all the presidents and paramount leaders of China, starting from Jiang Zemin (1992-2002) have been obsessed with showing themselves as strong personalities, both domestically and in foreign affairs.

Proclamation of the need to reunite Taiwan with the mainland is perceived as a specific honorary act that modern Chinese owe to their eternally respected predecessors. The CPC keeps stressing that China will never recover from its humiliating past until it regains everything that was unjustly stolen from the Chinese people by the separatists. Young generations are pressured to respect the elders who had fought for their freedom against bloodthirsty and greedy Japanese and it would be utterly disrespectful for modern generations to just give up on the ideas their grandfathers gave their life for. For the Chinese government, mishandling the issue of Taiwan will mean another major political humiliation that will surely arouse popular unrest and vilification of the ruling party and its rule. (Shirk 2007)

#### **1.4.2. The twelve heated years (1996-2008)**

Contrary to Deng Xiaoping, who was arguably the greatest Chinese leader and diplomat ever, the Chinese presidential administrations of 1990s and 2000s really struggled to keep the topic of Taiwan under control.

Being the great balancer of politics and economy, Deng Xiaoping in his economic reforms of 1979 did not exclude Taiwan as an economic partner. He was the leader that managed to loosen up the three decade long (since 1949) economic and social tensions between the two sides. Since then, throughout 80s and 90s, China and Taiwan have created a really deep network of economic links (Kissinger 2011, 634). To benefit from cheaper and more available labour, many Taiwanese firms moved their businesses to China. Soon after that, China became Taiwan's number one export market and Taiwan, for its part, became second largest 'foreign' investor to China (after Singapore) (Santander Trade Portal 2016). By the end of 2005, Taiwan's exports to China and Hong Kong exceeded its exports to the USA, Japan and Europe combined (Shirk 2007, 196). To this day the Chinese public sees this as a positive sign, since many of them imagine that deep economic integration will go further and cause non-problematic historical political unification of China.

Part of Deng Xiaoping's legacy is igniting the China-Taiwan trade relations, however under the next Chinese leaders the political connections between these two countries halted significantly. Due to some controversial actions on the part of Taiwanese leaders, who pushed the idea of creating a Taiwanese identity, which is distinct from China, many young Taiwanese people indeed stopped identifying themselves as Chinese (Shirk 2007, 186-187). Among the cultural influences in de facto legitimizing Taiwan, its leaders also implemented many minor policies to aid with the 'Taiwanization processes' (production of world maps showing Taiwan in different colours to China, updating the passport covers to look much different from Chinese etc).

Adding further insult to PRC's concerns, in 1996 Taiwanese president Lee Teng-hui (in office during 1988-2000) initiated a very obvious and disrespectful form of diplomacy, called "vacation diplomacy" (Kissinger 2011, 635). He travelled around the world and meet with different politicians hinting to them that Taiwan is a separate nation and that it shouldn't be in any way connected to China. He also spoke highly of Taiwanese national identity. These actions provoked a response from a very reactive administration of President Jiang Zemin. The resulting threats from PRC's military in Taiwan Strait forced the USA to conciliate the situation by getting its naval powers involved into an event that went down in history as 'The Third Taiwan Strait Crisis'.

Since the crisis, Chinese diplomats in showing their nonappreciation of Taiwanese colleagues barely talked to them during the international meetings. Even during the talks at the WTO (where both China and Taiwan are two separate members) Chinese leaders often ignore Taiwanese voices. In 1999 when President Jiang Zemin initiated the "One China" (Shirk 2007,

198) principle, under which all Chinese territories had to be regarded as under the same government, all kinds of talk with Taiwan's officials were frozen (because it would legitimize their existence).

In 1999, the Taiwanese president Lee Teng-hui publicly stated that relationship between China and Taiwan are no different to any other state-to-state relations. To many Chinese this sounded like formal declaration of independence (Shirk 2007, 192). The sudden Taiwanese hyperactivity in global affairs forced China to make their position clear on this issue. In the year 2000, right before presidential elections in Taipei, Jiang Zemin wrote a draft called "White paper on Taiwan" (Ibid, 191). In it he specified three conditions under which China would use force against Taiwan: 1) If Taiwan formally separates from China; 2) If foreign countries invade Taiwan; and 3) If Taiwan's authorities indefinitely refuse to reunify with the mainland.

In 2002, after his time as president was over, Jiang Zemin's policies towards Taiwan were considered a total failure and embarrassment to China and its international reputation. Cold-blooded Chinese society compared him to his very successful and respected predecessor Deng Xiaoping and putting extra pressure on the CPC demanded that next leader cannot be as soft as this one. Therefore possibly the worst legacy Jiang Zemin could have left to his successor, Hu Jintao, was that he promised to the Chinese people, in a desperate attempt to stop the criticism, that the historical Chinese territory will very soon be reunified (Ibid, 202). This applied immense pressure on Hu Jintao, who in the very beginning of his presidency had to focus all his wits on figuring out a solution to Taiwanese president Chen Shui-bian's proposal to enforce a law that would allow Taiwanese people to participate in various referendums made by the Taiwanese government. To China, the threat of Taiwanese population unanimously voting that they desire not to unify with China, would mean a disaster. Even the famous Chinese media channel Global times wrote: "A referendum in Taiwan equals a declaration of war" (Ibid, 204).

Simply threatening Taiwan with war for proclaiming independence would cause too much international pressure on China, especially from the US. But by not showing a proper reaction the Chinese citizens would deem their government 'weak', which, considering the already existing domestic pressures, would be in no way acceptable to the ruling elite. President Hu Jintao decided to go a different way. He gathered think-tank experts and ordered them to find a legal alternative (a law) that would be drafted and which would oblige China, subtly hinting, to react aggressively toward any independence movement from Taiwanese part. The resulting "Anti-secession law" (Ibid, 205) was introduced. To US protests Chinese diplomats responded that this law does not imply that China will force Taiwan to unite with them, but



only to block Taiwan's independence. The law serves as a mechanism to preserve the status quo between the 'two sides'. Article 8 (Xinhua News 2005) of the draft states that China shall employ 'non-peaceful means' in three situations: 1) If Taiwan secedes; 2) To prevent foreseeable events that will lead to Taiwan's secession; 3) If possibilities for peaceful reunification with China will be completely exhausted. Foreign observers noted that this law wasn't actually negative, as it did not imply the use of force, but only authorized it. Also the draft included many positive (mostly economic) incentives for Taiwan to unite with China.

Hu Jintao, who was praised by both Chinese public and ruling elite, showed himself a capable problem solver and possibly a stronger leader figure than was his predecessor J. Zemin. In addition to his Anti-secession law he also gave a statement in 2004, in which he addressed Chinese sentiments towards Taiwan in very clear and direct manner. He said that China will never accept, tolerate and negotiate Taiwan's independence (Ibid, 207). According to public opinion and experts alike, this was the firmest stance China had taken toward Taiwan in the past 20 years.

Following these events, to counter the President Chen Shui-bian (strong supporter of independent Taiwan), China started to facilitate friendly relations with Taiwan's opposition parties. The plan was to wait for 2008 elections and make sure that the more conservative candidate would win.

Since 2008 the situation has stayed very stable and organized. Until today Hu's legacy on Taiwan stands. Under the Anti-secession law, China will tolerate Taiwan's de facto independence while Taiwan agrees to keep the status quo of the present situation.

Yet the momentum of emotional irrationality remains an issue. It is interesting, how otherwise very coherent and collected China is ready to put everything on the line in regards to Taiwanese matter. Because for China, having Taiwan proclaim its independence would mean an eruption of very unpredictable emotional outburst by Chinese citizens towards the 'weak' and 'incapable' government. The decades of educational indoctrination would backfire and the highly probable subsequent revolution could turn China either into a totally different political entity or, speculating that no other form of government can sustain the current economic efficiency, directly into a failed state. For this reason, looking at the situation from the theory of political realism, even the use of nuclear weapons against the states that will side with Taiwan is not out of the question (Shirk 2007, 76). Therefore of all its mostly pragmatic and calculated foreign and domestic affairs, the only emotional one is the theme of Taiwan.

The clear political trajectory in China is that if Taiwan goes independent the Communist Party of China will fall. Besides, the event of Taiwan going free will most likely trigger the

other unstable and fragile domestic separatist regions (Tibet, Xinjiang and Inner Mongolia) to react, seize their opportunity and split. Yet if one is to rank the priority of territorial stability in China, then considering the potential of domino effect of its domestic weakness and especially its historical motivations, then of all territories only Taiwan truly is a question of regime's survival.

## **1.5. Analysing the survey data**

In looking for the relevant survey data which might support the main arguments presented in the first chapter, the author primarily reviewed the official statistics which was published by the Chinese government itself. Since the CPC is very keen on continually improving their output democracy, they always need to be up to date with all the social trends that are happening inside China. For these reasons, contrary to polls in other undemocratic states, the results published by Chinese government can be seen as legitimate sources. Additionally the author used the info, which was gathered by the Pew Research Centre. This polling organization is very popular and respected to use as a source. Pew Research conducts both online surveys, as well as real present-time questionnaires and on-ground studies. Conveniently they also have access to large amount of statistical data, which they publish together with their relevant survey results. The last polling source is the biggest Chinese online media outlet The People's Daily, which was mainly used by the referenced authors. The People's daily is another trusted source since they are regularly read by the CPC members, who despite supporting various censorship policies on some news topics, don't tolerate deceit.

Comparing the surveys that show Chinese sentiments towards their government as well as general contentment with domestic life, one sees a steady rise of satisfaction. In 2006 the CPC did the polling by giving respondents a metric on a scale of 1 to 5 to rate their satisfaction with the regime. At that time 90.6 % of all Chinese were "very satisfied" (rated either 4 or 5) with the management institutions of their country (Cheng 2008). Seeing the very high support numbers, many CPC officials were sure that 2006 was the peak year of their popularity. However after conducting the same questionnaire in 2015 this figure rose further to show a staggering 92.8% of Chinese support their government. (Ping 2015). According to Chinese who responded to the polls, most were extremely satisfied by President Xi Jinping's policies to oust the corrupt officials and parasitic economic criminals. The support was especially large from the representatives of poorer Chinese social groups.

Looking into the situation where the CPC allowed a partial regional democratic elections the author thought it interesting to find out how the Chinese view the concept of democracy overall. According to some surveys, close to 90% of Chinese consider democracy a good system, however most of them put a caveat on the principle that for China rapid economic development is more important than transforming the established political system (Wang 2007). Many surveys, but also general middle-class Chinese sentiments, show that the current non-democratic Chinese power-structure is considered better than the democratic alternative. Interestingly, in many questionnaires conducted by the Chinese government, the citizens reply that democracy cannot be blindly applied without considering all the inner conditions and specifics of a particular country (Ma 2013). The reason for that is mostly the fear that the uneducated and misinformed Chinese urban population will vote for the incompetent policies or candidates that will undermine the rapidly growing Chinese economy. The CPC leadership understands that despite getting mixed support from various classes of Chinese citizens, the more educated and richer of them don't want democracy because that would mean that the uneducated 60% of China's rural population could dictate the laws (Shirk 2007, 58). For these reasons one can deduct that keeping the Chinese society apart is benefiting the current ruling elite.

The biggest effect and proof of the effectiveness of the Anti-corruption campaign can be seen from the reactions of Chinese society. The next set of 2016 Pew Research surveys demonstrate that 64% of Chinese believe that the corruption issues are improving and that they will be resolved (will become less of an issue) in the near future (Wike 2016).

In sum, the CPC is very aware of all the issues that make the domestic system fragile in China. Learning fast from the Tiananmen incident, all Chinese leaders have very carefully adjusted their various domestic doctrines and policies to constantly improve the standard of living of their citizens. By focusing on different areas, such as reforming healthcare or actively fighting corruption within many governmental organizations, the CPC has successfully improved its positions of power and legitimacy, and is widely supported by their population. Since every Chinese president has made his doctrine very transparent and clear in regards to what changes he plans to implement, the Chinese population was always aware of what its government was doing to tackle certain socio-economic problems or improve some area of people's everyday life.

Chinese people's support of their government can be observed in many results of different surveys. They show that the various measures applied by the CPC to maintain the legitimacy of the regime seem to have been successful. Chinese people understand that even if

their regime is not democratic, there is most likely no real alternative at this point. It is very difficult to find an expert who criticises the CPC, but also gives good ideas on what Chinese society can replace it with. The biggest argument from regular Chinese is that only output democracy can maintain China's rapid economic growth.

## **2. FOREIGN POLICY AND THE NONALIGNMENT PRINCIPLE**

In broad terms, foreign policy is the behaviour of states towards states and organisations in the international system through their authorized agents. It focuses on external behaviours of governments and their representatives, since states act almost always through their officials. Thus to fully grasp the basis of any state's foreign policy, one has to research its inter-and multidisciplinary behaviours. The influences of structures and processes on the behaviour of individual actors in the international system must be taken into account, as well as the influences of the individual actors on the working of the system of which they are part. Therefore the study of the domestic economic and political system of a state is extremely important to understand the philosophy of their foreign policy (Tayfur 1994, 114).

Some of the large countries are foreign policy focused (Russia, USA). This means that their economic activities and inner dealings are mostly always motivated and based on their worldwide influences. John Mearsheimer labelled this theory as "offensive neorealism" (Toft 2005), his argument states that all the great powers are aiming to be power maximizers, in the sense that they will always aim to choose the best outcome for themselves rather than to keep balance in international politics. The best recent example is Russia's illegal activity (according to international law) in annexing the Crimean peninsula from Ukraine. In keeping with the power maximizing theory, this action makes a lot of sense for Russia, because the main reasoning behind their policy was the fear that the USA would ally itself with Ukraine, get permission to station NATO naval forces in Crimea, and gain good pivots to keep Russia under control for the time being. Russian aggression today can therefore be regarded as self-sacrificing (in the manner of ruining its relations with other states and bearing the economic losses because of the sanctions) its short- and mid-term progression, but in return gaining a long-term territorial resource, which can ultimately be used as self-defence platform against the potential future adversary. The fear of NATO closing in on its borders held enough weight for

Russia to take immediate actions, even if they were in direct contradiction to all the harmonious and peaceful humanitarian laws and norms. So, for Russia, the calculated rebound in the face of economic sanctions that followed from the international community was a small price to pay for maintaining its image as an ‘aggressive and carnivorous global political entity’.

Analysing in similar manner the Chinese behaviour, the bigger picture can seem very similar to that of Russia. Only the main fundamental difference is that Chinese leaders aim to be accepted not by the international community, but by their own local Chinese population. And unlike in Russia, the Chinese domestic situation demands its leaders to be extra cautious with any significant political decision that they might make. Considering all the domestic problems China has, it is very hard to find a reasonable argument on why it would tilt its general political course to be focused on foreign policy.

Because of the reasons of not having a de facto democratic regime, as well as its ideology of being hyper-engaged in foreign policy, Russia fits ideally as a country to be contrasted to China in this regard. In Russia’s case, its citizens can endure the economic decline if their leader is presented as globally popular and powerful. According to one of Russia’s most looked upon political elites, as well as President Putin’s personal foreign policy advisor Sergey Karaganov, modern Russian foreign policy culture stems from the Soviet Union’s ambitions to sacrifice the domestic in order to seem (and in its earlier years to truly be) more powerful and threatening externally (Neef 2016). The panic in the international community that comes as a result of Russian foreign policy is often very vocally displayed by multiple media channels. In turn, to Russians, it creates a sense of national pride and drives forward the domestic support toward their outspoken leader.

For China the situation is similar in the sense that the CPC is using their foreign policy to shore up the legitimacy of the regime domestically and, despite not doing it in aggressive manner like Russia, is very successful at that. However in conducting foreign policy the real difference between the Chinese and Russian ruling elite is that economic growth is crucial to the legitimacy of the regime in China, but it is not in Russia. Thus Russia might pursue a foreign policy that harm its economic interests, whereas China will almost never do so. The only connecting factor to Russia where China could consider risking its economic growth is the question of Taiwan.

For Russia to keep the political elite in power the foreign policy has to be very active and reflect the powerful imperial past in order to stir the domestic nationalism and support for their authoritarian regime. For China the power and legitimacy of the CPC comes primarily from their very proactive domestic policy attributes and flexible measures in keeping the

balance in much divided Chinese society. For these reasons, China, at least in theory will always opt for domestically benefiting economic- and foreign political actions and that truly makes them an unreliable party to have as an ally.

Looking into the nonalignment approach it is important to distinguish it from classical neutrality. The main difference between nonalignment and neutrality is that the latter is usually a term used at describing one nation's policies toward a specific event. It mostly means that a country is neutral towards some temporary foreign policy situation, like war. However such countries like Switzerland and Sweden have historically positioned themselves to be permanent neutral states, which comes as a status. Furthermore the neutrality stance is official and it is defined in Hague Convention on Rights and Duties of neutral powers. The reason why being neutral is not easy is because the state has to be governed very delicately, since if it will be attacked nobody will truly be obliged to come to its aid. As is defined in Hague Convention a neutral country must avoid making enemies as well as showing any forms of favouritism toward another state, but also stay away from any friendly policies toward any country even if it can be beneficial (Laws of war, 2008). Since China is clearly friendly with many states and definitely plays favourites with certain developing countries by providing them monetary aid, the neutrality approach is not something that can be attributed to it.

On the other hand, the nonalignment principle is a form of diplomatic flexibility, as well as culture. The nonalignment is therefore a de facto position and its interpretation can vary from state to state.

The current chapter is structured by first looking into the established historical and cultural normatives of Chinese nonalignment principle. Because China has always been very respectful in regards to its past, it is important to look into its diplomatic culture to see how it is relevant today. After the reviewing of historical context the author examines the concept of certain countries being natural allies and if such premise is even acceptable. This follows up with the discussion on China-ASEAN relations and the South China Sea conflict. Then the current Chinese President Xi Jinping's doctrine of 'China's Dream' is being looked into to see if its understanding can help to better comprehend the trajectory of contemporary Chinese foreign policy. After that the author presents three case studies on three political entities of North Korea, Pakistan and Shanghai Cooperation Organization to see if any of these parties could be regarded by China as potential ally.

## **2.1. Nonalignment as a diplomatic culture**

Chinese statecraft is one of the most ancient in history. Almost three thousand years ago China was divided into small city-states, similar to those of ancient Greece. The first such era dates back to the period of Spring-and-Autumn and lasted from 722-481 BC (Fairbank 2006, 49). During that era the first diplomacy started to take place and the seeds of modern diplomatic culture were sown. Naturally in those times, these small city-states (around 170 in total) were constantly forming various military- and diplomatic alliances to bully, pillage and sometimes absorb one another. Fast forward to the next ancient-historical Chinese era of Warring States (from 403-221 BC) only seven of such city-states were remaining (Ibid, 51). Throughout the long struggle for survival, these states (via the absorption and assimilation) inherited different cultural mixes and became their own distinct political entities.

From that long period (500 years) onward emerged the period of Chinese philosophic tradition (Ibid). Many great thinkers commented and debated on the practices of alliances, often comparing them to deceiving realities of ancient Chinese city-states. The conclusions they reached were that alliances could not be trusted, because they are above all opportunistic and self-centred. These teachings that were based on historical Chinese diplomatic practices became engraved in China's diplomatic culture.

This same culture was especially noticeable during the mid-1990s, when the Chinese economic miracle was truly a phenomenon. In 1994 Deng Xiaoping, acknowledging the changing world with the fall of Soviet Union, set the characteristic for Chinese foreign policy and reminded the ruling elite not to become complacent. He said that China must hide its capabilities from all foreign nations and be less vocal in all affairs. To Chinese leaders he of course added that there is an exception, the three states in front of which it cannot show weakness and whose affairs are entangled with the Chinese: Taiwan, USA and Japan (Shirk 2007, 105). A decade later, with Deng Xiaoping gone and China being much stronger and richer nation than it was during the 1990s, leading Chinese government officials still suspiciously downplayed the Chinese role as a leading nation in Asia (if not the world) (Ibid, 106).

After the end of the Cold War, the new consensus toward how China should be run emerged among China's leadership. The consensus was that forming any kind of alliance would be against the good economic trends, which China just started to experience at that time. Chinese leaders declared that, ignoring some civil-conflicts in different underdeveloped countries, the newfound peace in the majority of the developed world is what all nations should



strive for (Shikun 2014). Both antique and modern history have repeatedly shown that different kinds of political alliances among various state-actors very often lead to irrational loyalty within the union. That in turn leads to mutual defence or aid in aggressive policies, which have caused many large-scale conflicts and wars. Understanding that in its history China was very rarely a land-annexing invader, the Chinese government prefers to keep on their current trajectory of advocating peace and instead focusing on creating globally beneficial economic opportunities (Wiggin 2013).

In their tradition and philosophy, Chinese people want peace and harmony. Getting involved in an alliance or demonstrating direct favouritism towards aggressive behaviour of a friendly state would be highly unpopular among Chinese masses (Shikun 2014). For this reason it would also be very counter-productive for the CPC, who actively seeks to keep its large population as content with everyday life as possible, to change their historical approach towards more conservative foreign policy.

In a formal organization called the Non-Aligned Movement (NAM), which membership consists of 120 Southern developing nations (most Northern nations are allied, so they are not part of NAM), China is one of the primary observers. Ironically even in this organization, whose aim is to push the narrative to keep other states from forming alliances in the name of peace, China opted to stay as neutral as possible. China did not encourage nor discourage any state from joining this movement. However during different summits under NAM, Chinese representatives have stated that they view this organization as a very important platform for developing countries to support one another via unity which will give them stronger voice in international affairs (NAM GOV).

From the early 1990s Chinese foreign policy model stayed consistent to prioritize domestic economic growth and stability. With incredible economic success the Chinese international position and reputation have been greatly elevated. The nonalignment principle in modern day China was very clearly shown when in 2001 Chinese president Jiang Zemin visited Russia, he signed a Good-Neighbour Treaty with Russian President Vladimir Putin. The agreement reignited the stagnated China-Russia political and economic relations, but in its text it clearly states that it is primarily based on friendship and that at its core the China-Russia partnership is based on non-alliance, non-conflict and not against any third country. (Shikun 2014)

Despite the peaceful political culture, the mentioning of China as a ‘power’ started to become more acceptable during Xi Jinping’s presidency from 2012, especially under his doctrine of ‘China’s dream’.

### **2.1.1. Unreliable ally**

Bearing in mind the domestic context of Chinese political reality, the author argues that China may be a very unreliable political ally. The CPC's constant focus on self-preservation can lead to many set-ups in creating a trust-based foreign partnerships. Traditionally, most forms of allied cooperation and cohesion always benefited the joining parties. However more often than not they also created many channels of common responsibilities and risks, commonly referenced as burden sharing (Goldstein 2014, 502). When smaller or weaker states are accepted into an alliance with a bigger nation or organization, their standard behaviours often change as well. Since a country is ran by diplomats and politicians, they as humans, become more confident when they are backed by a much stronger political entity. A good example of allied responsibility is the US-Japanese security alliance, which commits the USA to defend Japan like it would its own territory (Ibid, 67).

Yet, on the negative side, if for any reason the ally becomes shunned by the international community, its partner can also receive the stigma of being 'in the same camp' with the unfavoured nation. For example the Russian invasion of Crimea in 2014 made them dreaded by the global community, which could also impact the image of their allies (should they refuse to condemn Russia's actions). NATO is another example where if one member state gets attacked and others will refuse to aid (thus violating Article 5), their image will be damaged and criticized.

For China the situation can be even worse, because if its potential ally causes or in any way gets involved in an international crisis, Chinese leaders would be forced to stay neutral if the interference would risk causing domestic disapproval. Much like with the NATO's example, this would most likely harm their international credibility. However in theory, betraying an ally would be acceptable if the other alternative is domestic turmoil. This would however, not prevent the lose-lose dilemma from emerging, as foreign pressures could ignite inner discontent among the Chinese masses, leading to the same outcome that Chinese authorities were trying to avoid. Despite the fact that this argument is largely speculative, it is still possible to judge it on the empirical evidence that until this point in time Chinese behaviour in foreign policy stayed consistent to this theory.

Being a large country and bordering a part of very historically unstable Middle-Eastern region, China participates in bilateral and multilateral collaborations, which despite not being alliances are still very useful platforms for China to be a part of.

## **2.2. Natural alliances: governance similarity**

The term ‘natural ally’ doesn’t have a classic definition. Most of the time it means that two states have no reason to be hostile to each other (Ghez 2011, 13). For example during the Cold war, most of the democracies in the world were natural allies just based on the fact that they were in one camp to counter to the remaining non-democratic regimes. In parallel the non-democratic communist states were also natural allies just based on their governance regime and to generate the mutual support in opposition to the widespread pressure and criticism from the democratic bloc.

Continuing with the regime similarity criteria, then historically China was a natural ally to all the communist regimes in the world. However after it readjusted its ideology via economically maintaining the undemocratic regime in 21st century, China no longer felt a natural attraction towards similar political entities.

Because of China’s standpoint of having a non-interference approach in foreign nation’s domestic affairs (irrelevant of their type of governance), many present authoritarian states see China as a friendly political partner. Since most authoritarian states in the world have certain elements of controversy to them, they see the friendship with China as a rare opportunity to seek validation from the global community. Russia is arguably the best example of a country that has stirred up its domestic public to believe that China will go to war over Russia’s interests (News-USA 2015). Oddly the friendly relations with China often create the delusion of alliance on its partner’s side. Considering all the confrontations between China and Russia in the past, as well as modern competition in military technology markets and for the leadership position within the SCO (Hill 2014), it is very hard to objectively view these two states as natural allies.

Looking beyond the principle of the governance similarity as a criteria for natural alliance, the geographical closeness is also a big factor to consider. Even if for the ordinary people the technology of transportation has changed the perception of long-distance travel, for states the geo-strategical positioning of its partners and enemies still plays an important role.

### **2.3. The good neighbour policy**

When in early 1990s the era of Deng Xiaoping ended, China's new leaders changed the philosophy of their attitude towards the neighbouring countries. Previously, during the times of Mao and Deng Xiaoping, China benefited in artificially keeping the surrounding countries poor and economically limited. The process was that, had these nations be developed they would be more likely to side with the USA and in times of crisis encircle China and have the upper hand to dictate their terms in various negotiations (Godement, et al 2014). However after the Tiananmen incident pushed the CPC to reframe their mind-set on how to effectively run China the most viable position seemed to become more open in regards to global economic engagements and ending the era of Chinese isolationism. With the open door policy under the rule of President Jiang Zemin, Chinese policy makers found it important to improve relations with every neighbouring nation and as a result created the 'periphery diplomacy' commonly known as the "good neighbour policy" (Cabras 2011).

Understanding that by establishing good relations with its neighbours, China can further convert its international image under the 'responsible power' slogan, but more importantly promote regional stability, security and cooperation, which would increase its influence and soft power in world affairs (Godement, et al 2014).

According to Professor Li Yonghui's "strategic periphery belt theory" (Godement, et al 2014, 4) China as a rising power, must have a friendly periphery around it. He also warns that China should do everything it can to make sure that their neighbours will not feel alienated or discriminated by its presence. Therefore the main points of the "good neighbour" diplomatic strategy are similar, but more vague versions of three-point briefing for 'peaceful development' plan discussed earlier. The main focus is put on multilateral diplomacy to strengthen the relations with SEA nations, but also to improve the North-East border relations.

The neighbour-accommodating approach benefited China a lot. Even the relationships with India, the long-standing rival state, have massively improved on almost all levels from 1990 onward. As the biggest conflicts between these two states were always about the ownership of the disputed border-territories, the leaders of these two states have worked to effectively halt the disputes and focus on mutual benefit model instead. China and India have improved the procedures for their citizens to acquire visas to visit each other's country and sign multiple agreements (in 1993, 1996 and 2005) on cooperation regarding fast and effective actions and resolutions of every possible border conflict that might emerge. (Godement, et al

2014, 5). From that regard it is not a new concept for China, as similar policy was designed (but not implemented) during the 1950s Mao Zedong's era (Ye 2010).

In modern days the biggest focus of the "good neighbour policy" is promotion of economic status quo and protection of Chinese richest border area: the South. Traditionally, China views Southeast Asia as its weakest sphere of influence to control. The high concentration of multiple states being situated there, as well as strong and long-term presence of USA has the potential to depict a crisis even in modern times (Shirk 2007, 112).

In order to control its Southern border, China again opts for soft-power alternatives. The support towards the initial idea of ASEAN formation, as well as assistance towards its developing have drastically improved Chinese relations with all SEA nations. The success of presenting itself as a responsible and good neighbour that is deeply concerned about the need to develop Asian region as a whole can be seen in different surveys and polls. In 2007, 76% of Thais considered China to be Thailand's number one partner and closest neighbour and only 9% were favouring USA (Ibid, 113).

Despite all the beneficial developments, there is still one scandalous area in which China has to maintain its strong grip and not rely on their soft-power policies. The inability to reach the consensus in territorial division of South China Sea. The dispute is about the proprietary rights of multiple micro-islands that surround the strategically important sea-routes, but also have large quantities of valuable deposits of natural resources (gas and oil). It is perhaps the single biggest regional foreign policy subject that China takes very seriously and doesn't show its characteristic flexibility in negotiations. Out of multiple reasons for that, the main ones are the economic impetus to extract the resources for huge profits, the geostrategic control of the Southern sea routes to extend the Chinese control over Taiwan and geopolitical motives under which China considers its Southern border to be the weakest in case of foreign military attack. The last point in the list forces Chinese naval presence in different zones of the South China Sea region, which had a direct negative effect on their claim of peaceful development and of being a 'herbivorous' neighbour. When in 1992 China passed a law that proclaimed the ownership of 80% of South China Sea (Shirk 2007, 114) the ASEAN nations became very alarmed and proposed a joint dialogue with Chinese leaders. The criticism arose when the administration of President Jiang Zemin tried to ignore the multilateral discussion, instead opting for bilateral state-to-state dialogue approach, where China could exercise more influence and persuasion. With the involvement of USA and subsequent events that led to Third Taiwan Strait crisis in 1995-1996, China had to suspend their proactive pursuits to outcompete their southern neighbours and instead focus on further regional integration.

To China's accord, one should add the caveat that even though the CPC actively protects its claim of unreasonably large territory of the South China Sea, so does any other ASEAN nation that borders that area. Stronger future economic ties will most likely generate a solution to this problem, however the full context of this matter should be regarded before one is to dismiss the peaceful Chinese intent and become a sceptic towards its 'good neighbour policy'.

## **2.4. Xi Jinping's "China's dream"**

The concept of "China's dream" (Jinping 2014) emerged as a doctrine of China's latest President Xi Jinping. When after 2010 China's incredible economic development didn't show any slowdowns, the previously mentioned idea of 'Harmonious society' (Sicular 2013) became updated with more aggressive and mid-term goals of rejuvenating the historically rich, innovative and proud Chinese nation.

With almost unlimited capital that resulted from the unprecedented economic success, the CPC views 'China's dream' as a realizable idea to further invest in the country by promoting various international forms of co-operations and hosting innovation platforms for smart investment.

Similarly to the American Dream, as Western critics note, this concept focuses on personal dreams of Chinese citizens to aspire to attain a healthy, abundant and happy life, which stand in contradiction to traditional Confucian teachings (which put the individual secondary to the group). Yet, contrary to Western values, China's Dream is a vague doctrine which aims to maintain and further invigorate the development of Chinese nation. (Kuhn 2014)

Despite all that, this doctrine is also promoting China's firm-like behaviour in its foreign-economic activity. Taking the nonalignment culture one step further, the country is run like a company whose aim is consistent and steady development, China will always aim to either be neutral or friendly with all states. Choosing sides in the political arena will risk creating a negative effect on the state's economy. This will automatically add a number of allied countries, as well as anti-allies. Furthermore, some opponents might potentially be beneficial economic partners, so choosing a side against them would cause the risk of becoming blacklisted, which can lead to economic decline within China. Therefore the best way to develop and promote the doctrine of "China's dream" is to not have allies and enemies, but to treat all as partners in order to maintain the domestic status-quo through continuous economic growth that benefits all.

Perhaps most importantly for the ruling party of China, any kind of imbalance in foreign relations can cause certain problems with Chinese populations' motivations, who maybe won't agree with the side its country chose. China's large population means its leadership cannot afford to lose grip of even 10% of it, since in China's case that is around 140 million people. Also minorities can start being discriminated, which can lead to revolts. Revolts can of course happen even if China doesn't take any sides in foreign policy. However analysing the historically proactive and very successful Communist Party of China, one can conclude that it does not take any risks and uses every possible balancing factor or policy that it can to keep domestic affairs at bay. And foreign policy is just one of the tools it can utilise for their ultimate goal of staying in power.

The only criteria that is imposed on every foreign nation that wants to do business or otherwise engage in dialogue with the PRC is the 'One China Doctrine' (Shirk 2007, 198). Under this principle, which was historically only applied towards Taiwanese leadership (who aimed to conclusively separate China and Taiwan and create Taiwanese national identity), China demands that any nation that accepts Taiwan as a separate political entity is the enemy of all Chinese and that the disrespect should be mutual. Since Taiwan is one of the hottest factors in keeping the CPC's domestic legitimacy, this topic is above any economic benefits and any doctrine. In applying hard economic and diplomatic pressures on any country that recognizes de jure legitimacy of Taiwan (The New York Times 2007), the Chinese government shows to both the world and to its own citizens that even with the world moving towards peaceful co-existence and globalization, the old Chinese priorities, traditions and national pride are still there.

The main difference of President Xi Jinping's doctrine of 'China's dream' to its precedent's 'Harmonious society', is that Xi's policies seem to be more foreign policy centred. The 'Harmonious society', which was initiated by President Hu Jintao predominantly aspired to keeping Chinese domestic factors in harmony. In contrast President Xi's 'China's dream' is an endeavour to opening up the world and harmonizing the opportunities that every Chinese can reach a high goal and fulfil his dreams in life, especially if the whole political and economic landscape is trending towards common ultimate target, which is development. (Shikun 2014) Under president Xi much more Chinese students were encouraged to go study abroad, and promised to receive good job offers by their return (ICEF Monitor 2015). Additionally, and perhaps the biggest novelty that was brought in by the Xi's doctrine was the very careful approach of observing the existing economic frameworks and seeking ways to improve them either practically or structurally (by rewriting and resigning the agreements) (CCM 2015).

Falling under all the modern and ancient Chinese doctrines, the nonalignment seems to be the vital characteristic of China's non-aggressive standpoint in global politics. Even so, sometimes the unpredictable factors can emerge and bring with them a situation where even the most peaceful of states might be seeking a partner with whom it can align itself or in a crisis situation agree to sign a binding agreement. Should China for any reason no longer stay true to its historic stance on alliances, there might be some alliance options that naturally should be considered.

## **2.5. Potential allies**

In 1979 China started to think about creating a network of good relationships with its neighbours. The change was driven primarily by Deng Xiaoping's view that China should fully focus on economic modernization. In his view China needed a reorientation of its foreign policy from promoting revolutions abroad (classic communism doctrine) to stabilizing itself as a country and improving relations with the governments in its neighbourhood. For the first time in its history, China had positive, integrated, coherent and friendly relations with all the countries surrounding it. Over the 1980s and 1990s China restored or newly established the relationships with Indonesia (1990), Singapore (1990), Brunei (1991), South Korea (1992); improved relations with India (1988) and the Philippines (2000); normalized relations with Russia (1989), Mongolia (1989) and Vietnam (1991); began to build bilateral and multilateral ties with Kazakhstan, Tajikistan, Kyrgyzstan, Uzbekistan and Turkmenistan. (Shirk 2007, 111).

### **2.5.1. The Shanghai Cooperation Organization**

Analysing all the multilateral relations of which China is a member, the closest to what could be considered an alliance pact is the Shanghai Cooperation Organization (SCO), (Shirk 2007, 120). The SCO was set up as an upgrade from the Shanghai five in 2001. Its member states are Russia, China and the four central Asian nations of Kyrgyzstan, Uzbekistan, Tajikistan and Kazakhstan. In June 2016, the SCO also accepted India and Pakistan to enter into the accession process which is aimed to transition them towards becoming a full members states in the following years (Mercouris 2016). However, despite what some member states might believe, the SCO cannot be considered as a binding alliance with all the classic burden-



sharing principles (Zhou 2016). The SCO should primarily be perceived as a regional peacekeeping organization, since its main goal is the abolition of terrorist organizations from the central Asian region.

The Regional Anti-Terrorist Structure of Shanghai Cooperation Organization (RATS SCO), whose headquarters is located in the Uzbek capital of Tashkent, is the most important and influential body of the SCO. Its main task is to synergize and coordinate the actions of all six member states in combatting the issues of regional terrorism, extremism and separatism. (Weitz 2012)

Although structurally the SCO has a very far-reaching military side, which is clearly written and structured in its charter, however in both theory and practice the military organization is very narrow and is almost fully adjusted to only deal with terrorist problem in the Central Asia. The ‘Article 2’ (HRIC 2009) of its charter clearly states that the military component of SCO does not seek to be advanced in any one military sphere (navy, army, air force). Also, it is written that the SCO member states are not allowed to use force or threat in international relations, implying that SCO is not a military alliance that would support its member states if one would go to war. Additionally all its joint military procedures are structured within one single framework of attacking terrorists. There is no reason, therefore, to speculate that SCO could be a military threat in combating nation-states. The one dimensional military footing is speculated to be ineffective in setting up defences against any conventional security threats from the West (Mercouris 2016).

Despite all that, to better regulate their activities in combatting extremism, the SCO member states engage in a variety of different military cooperation initiatives. Starting from 2003 the SCO member states held a number of multilateral military exercises, ranging from small-scale practices of fast-reaction intelligence delivery drills between the militaries of the member states, to the yearly-held war-games called “The Peace Mission” (Bin 2007). The biggest bilateral military training war-simulations are regularly conducted between China and Russia. In 2016 these two countries had a joint command exercise which involved the use of anti-ballistic missile defence systems (Mercouris 2016). Interestingly the China-Russian hosted “Peace Mission” operations are not allowed to be observed by the US. Should these, almost traditional at this point, joint war-games continue it will be interesting to look into the matter of having USA excluded more closely, especially with the upcoming Donald Trump presidential administration which seems to be on a good side to Russia, but not on a very good side (because of Taiwan) to China.

The primary motivation for China in being in a military partnership with its Western border neighbours seems to be the confidence that a synergized military activities with the SCO partner states will serve as the main guarantor of its Western border protection, as well as stabilizing component in China's highly problematic Western region of Xinjiang.

Looking beyond the security, the SCO is also an economic organization. Excluding China, all of its member states are also part of Eurasian Economic Community (EAEC), therefore for them the economic platform of SCO is a convenient channel to primarily access the Chinese capital investments (Albert 2015). From China's part, the economic potential of SCO plays a huge role in developing its highly problematic Western province of Xinjiang. China already benefits from SCO's anti-terrorist framework to keep the extremist-leaning Xinjiang Uyghurs under more direct control and thus ensures the region's stability.

The ease of energy cooperation is the principal feature of the economic benefits the SCO provides to its members. One crucial factor is that the several of its members (Russia, Turkmenistan and Kazakhstan) are among the world's largest possessors of oil and gas reserves (Ibid). Mainly for this reason, China who is looking for consistent energy sources for its growing demand, is a highly interested party in all kinds of economic agreements within the organization. The basic structure of economic goals and activity was adjusted and adopted in 2015, under the SCO Development Strategy. The initiated strategy has a 10 year trial period (2015-2025) and is mainly focused on setting up the mechanisms for more rapid, profitable and practical conduct of finance-, investment- and trade deals between all the member states (Xinhua 2015).

Similarly to how China used to prefer the bilateral approach in its state-to-state diplomatic relations with smaller ASEAN nations (ignoring the multilateral discussion platforms of ASEAN), the same principle can be noticed in its relations with the SCO. In financing the Central Asia - China Gas Pipeline, which runs more than 1300 km through Uzbekistan and Kazakhstan into China's Xinjiang Uyghur Autonomous region, the Chinese approached and made an agreement with both of these states separately. To further solidify the economic cooperation, secure the energy trade-routes, as well as improve the bilateral relations with all the Central Asian partner states, Beijing has proposed to set up a development fund from which it will help in financing various infrastructure projects (Albert 2015). Curiously, no common economic program that was started within the SCO (bilateral or multilateral) went beyond a simple commercial or mutually benefitting partner-to-partner relation. For that reason according to some experts, the SCO is nothing more than a special interest serving partnership among very unstable states (Ibid).

Considering all these factors it is unreasonable to conclude that the SCO fulfils the role of an alliance platform for China. Nonetheless, considering the fact that SCO has a clearly established two-pillar structure (economic- and military cooperation), the theoretical possibility for further integration in the future remains likely. It is possible that by the 2025, should the ‘10-year development plan’ be successful, the logical continuity for the rational state actors would be to further increase the mutually-beneficial economic integration, which might bring about a higher level of interdependency.

### **2.5.2. China – Pakistan relationship**

Interestingly, during Mao’s era, China had a partner country that many could consider to be its ally. Taking into account the fact that almost every modern Chinese policy was different before its economy started to rapidly accelerate in the mid-1980s, so was its approach to alliances. Considering every specific of alliance, as well as the tense global intergovernmental realities of the Cold War times, some experts consider Pakistan to be the last true ally of China (Rosen 2016). Pakistan fit almost all of the criteria that China was looking for in an ally. Its geopolitical positioning on China’s Western border was of great advantage for both parties. The geographic location in Asian continent was especially beneficial because both countries were actively looking to get a strategical upper hand on India, who was a mutual rival. Moreover, very helpful was the fact that in 1950 Pakistan was among the first countries to recognize the PRC as a legitimate representative of all of China. To Chinese leaders this gesture was a sign of great respect. Besides that, Pakistan was also one of only two countries (together with Cuba) to provide its moral support for the CPC in the aftermath of the Tiananmen crisis in 1989. This support was especially noticed, since it contrasted so well with the negative worldwide reaction Chinese leadership experienced at the time.

In modern times the closer cooperation with Pakistan could benefit China a lot, especially in their quest to continuously balance their very problematic Western Xinjiang region. Being on the border with Chinese Xinjiang, the Muslim Imams of Pakistan could apply influence and contain Uyghur extremism in that region. Additionally, from the economic perspective, being part of China-Pakistan Economic Corridor (CPEC) both the government of Islamabad, as well as Beijing would profit from deeper trade integration. For China, the most important benefit is that the creation of the additional (to the ones it is building within the SCO) energy routes to Xinjiang would increase employment and further reduce the poverty rates

among its discontent Muslim population, which would potentially further decrease the rate of extremist terror attacks that predominantly come from radicalized Uyghurs. On the side of Pakistan it is very dependent on Chinese military technology, nuclear energy development projects, foreign direct investment and geo-strategical partnership to counter-balance its longstanding neighbour India (Ibid).

From the side of military cooperation, the modern relationships between China and Pakistan are similar to those of China within SCO. The deepened military partnership went a step further when in April 2016 the two states engaged in one of the biggest joint military exercises in decades. Despite, for the past 8 years, Pakistan being China's number one arms buyer and China being Pakistan's largest arms supplier, the 2016 brigade-level war games were held for the first time between these two states (Ruff 2016). Additionally, staying true to its legal opposition to all kinds of separatist movements, China supports Pakistan in its stance and tight grip over the disputed region of Kashmir.

The engaging strategic partnership has been further strengthened by common inter-state infrastructure projects. Through the framework of CPEC, China and Pakistan jointly built a very high quality road and railway for improved easy logistic transactions that should help to ease the private-sector trade relations in a long run (Ibid).

According to polls conducted in 2014, on how citizens of different countries perceive other countries influence, the results showed that 75% of Pakistanis view China very positively. Only Nigeria with 85% is ranked higher (BBC Poll 2014).

Considering all these factors, Pakistan is a very reliable partner for China. However from China's part the old nuances are still present, which makes China a very dubious ally to depend on in the moment of harsh times or if Pakistan gets in conflict with India. To contextualise the claim, one has to understand that historically China truly was an ally with Pakistan. Up until 1980 when it started to feel like India is also a viable trading partner. Therefore, because being friends with both wasn't an option, China switched to being neutral between these two sides. Today, Chinese support for Pakistan's claim for Kashmir seems to be more about China's rooted disapproval towards separatist movements and regional claims for independence in general, rather than them supporting Pakistan's cause and thus countering India. This is another point toward the argument on how, for China, staying neutral with all sides is preferred over being friendly (or allied) with some (Shirk 2007, 116).

The usual and curious factor emerged in 2016, when both India and Pakistan were accepted to become the full members of the SCO. In the following years, when the accession period will be complete, it will be very interesting to observe and analyse how China will

balance its relations between these two politically-opposing states. Likewise from the perspective of political science it will be interesting to view the contrasting differences between the China-Pakistan bilateral relations within and outside of the SCO frameworks.

### **2.5.3. China – North Korea relationship**

When Mao took power and founded the PRC, he viewed the revolutionary North Koreans as China's ultimate comrades. The natural regime-based bilateral communist alliance became very evident when China sent thousands of its troops to aid the Kim Jong Il's side during the 1950-1953 Korean War (Albert 2016). Additionally, throughout his era of leadership, Mao always supported and sided in most issues with the Democratic People's Republic of Korea (DPRK), especially over their South Korean brethren.

When, following Mao's death in 1976, Deng Xiaoping took the position of being the next paramount leader of China, his approach toward the DPRK became more neutral. Technically this was the end of Chinese – North Korean alliance, however the situation was not as simple. The leadership of the CPC understood that the authority of the North Korean communist party is possibly even weaker and even more fragile than that of the Chinese. Therefore, despite China being much bigger and more developed nation in the middle of 1990s they acted very conservatively with every question that involved their relationship with North Korea.

Up until the point when the DPRK start to test its nuclear weapon technology, its relationship with China was very good. In 1993, after DPRK tested their first nuclear weapons, the USA gave them a warning. However in 2002 when after numerous multilateral dialogues on stopping nuclear activity the tests continued, US President George Bush in his UN speech openly condemned North Korea, calling it "the Axis of Evil" (Shirk 2007, 123). In response, the President of the DPRK Kim Jong Il withdrew from the Nuclear Non-proliferation Treaty (NPT), which was direct threat of nuclear attack towards every state whom the North Korean missiles could reach.

In 2003, fearing a war between the USA and the DPRK, China created and launched a dialogue platform called the "Six-Party Talks" (Shirk 2007, 123). Its purpose was to avoid a military clash that could lead to the North Korean regime collapsing. There are those who believe that should DPRK's regime collapse, China might send their troops to calm down the emigration seeking Korean masses (Ibid, 4). As was stated by one Chinese scholar "In its

history, China has never been so deeply involved in a regional issue to which it was not a direct party” (Ibid, 123). Arguably China was so active in these summits because the matter was endangering domestic stability in its Northern territories.

The first set of talks were successful, however in the beginning of 2006 DPRK’s bank accounts in Chinese Macao were frozen on the suspicion of criminal economic activities. This triggered a harsh response from the DPRK’s government and they began to actively test new nuclear weaponry, proclaiming that the atomic energy was the only pivot DPRK had in its global political influence (Ibid, 125). The global response was a clear consensus to impose economic sanctions on the North Korea. For China it meant that it could no longer stay neutral and had to choose a side. Many foreign experts predicted China to side with North Korea in fear that turning against them would surely risk making DPRK a failed state. The prediction was that large-scale crisis would create a massive emigration problem of North Koreans crossing border to Northern Chinese region of Inner Mongolia, where the labour unrest was already a big problem (Ibid, 126). Furthermore, the collapse of North Korea and its inevitable unification with South Korea would mean that US troops would directly be on China’s borders.

To the surprise of many, the response from China’s leadership was very harsh and straight forward. As soon as North Korea re-started to test nuclear weapons in 2006 the CPC blocked all the oil-trade deals with them. More uniquely, the Chinese Ministry of Foreign Affairs was ordered to release a blunt denouncing statement, which accused North Korean leaders of being irrational in their actions. As a result of China’s active participation in the ‘North Korean nuclear question’, the six-party talks were resumed and the crisis was temporarily resolved (Ibid).

Unfortunately for the DPRK, the strong nuclear fixation by its leadership has alienated the harmonious- and peaceful development-seeking China. Today China is still largely perplexed and very unhappy by the aggressive foreign policy position that North Korea refuses to abandon. But at the same time, according to some analysts, China will avoid taking actions that could cause a sudden change of regime in North Korea (Albers 2016).

The CPC understands that it has a very strong leverage should any kind of crisis re-emerge. The biggest leverage is China’s almost absolute role in North Korean economic activity. Since the Korean peninsula got divided in two regimes (North- and South Korea), China has always been the DPRK’s biggest economic partner. In 2016, North Korean exports to China make up around 90% of its total exports, which are worth 2.7 billion dollars. In contrast the second and third export destination states are India and Pakistan, who together generate only 110 million dollars for the North Koreans. Very similar is the situation with North Korean

imports. The total of 3.5 billion dollar imports that come from China is more than five times more than its imports from all other countries combined. (OEC 2016)

The most curious recent behaviour from the side of DPRK is the policy of its new leader Kim Jong-Un (supreme leader of DPRK since 2011) to try and provoke China by seizing its fishing boats and demanding ransom for both the boat and the fishermen (Jourdan 2013). It is difficult to try and rationalise such approach toward the country which today keeps up, supplies and provides for over 90% of DPRK's economy.

Yet from the Chinese part, to keep its own economic situation steady it engages in a very interesting strategy in its foreign relations with various smaller developing nations. In order for CPC to show its domestic public that it promotes and protects Chinese values globally they actively participate in their own form of foreign developing aid distribution.

### **3. FOREIGN SUPPORT AND DEVELOPMENT AID**

Another mechanism used by the Chinese government to soothe all the domestic hardships, increase the legitimacy (domestically and abroad) of their communist party and further extend China's friendly-neutrality approach in foreign policy is a very distinctive strategy of being involved in various types of global development aid.

According to Zambian-born economist Dr. Dambisa Moyo, there are three types of aid: 1) humanitarian aid, which is usually allocated during emergencies caused by various catastrophes, 2) Charity-based aid, which is distributed by charitable institutions or directly from people to people, and 3) Systemic developmental aid, that is distributed directly from one government to another or via multilateral channels of The World Bank (Moyo 2009, 20).

Importantly for the reasons of global recognition and soft power span, the most talked about form of aid is the systemic government-to-government development aid. The author of this thesis claims that, for China, the activity in aiding foreign developing nations is one of its very specific and focused forms of foreign policy strategy.

Some experts argue that if China is to become a great power, only having an enforceable hard power mediums (well financed, advanced and strong military; ability to apply economic pressure on various global actors) is not enough (Wang and Rosenau 2009, 30). For a large nation like China who presents itself as peaceful and steers clear of intervening into foreign countries domestic affairs, the ideal scenario is to have this approach recognized and praised. The peak of mutual respect would mean that, in return, foreign countries will support China in maintaining total monopoly over her own inner policies. Together with China's economic power capabilities and its friendly neutrality most, if not all, developing nations will be drawn to support and promote China's soft power, because they would directly benefit from it. With successful worldwide involvement in aiding less fortunate nations to kick-start or advance their infrastructure, the legitimacy and even support of the CPC will surely be propped up by these nations.

The number one priority of the CPC is to keep China stable and to pursue the continuous economic development. Because of this, some analysts argue that the prime driver of Chinese



development aid is to secure access to raw materials and agriculture produce (Lengauer 2011). Thus the foreign aid policy is based around China's own economic interest.

The reason why the issue of good governance doesn't bother China is rooted in its economic growth trumping every other principle, as it stabilizes the fragile domestic system. As the primary 'gate-keepers' of international energy markets mostly are non-democratic, then staying friendly with these states is important for China in order to maintain the constant influx of cheap resources to keep their production stable.

The caused snowball effect of foreign support has the potential to transform into another crucial pivot of Chinese domestic stability. For these reasons the strategical value of creating a unique-to-China-system of foreign aid engagement is an important element of understanding and advancing the main hypothesis of this work.

### **3.1. China as a responsible power**

Based on empirical analysis, China's way of behaviour in foreign relations is very consistent with its aspirations to maintaining its high economic growth. Since the economic boom in 1980s Chinese leaders, being fearful of scaring off potential investors, started to heavily work on forming how China appeared to the rest of the world. When the Chinese economy started to generate massive amounts of capital it gave the government more options to diversify their efforts of statecraft. Considering that territorially China was always among the biggest countries in the Asian region, then with its new-formed economic abilities (that rejuvenated and modernized such institutional sectors as military), the Chinese understood that they had a lot of work to do to discourage other nations from potentially doubting China's benevolent and peaceful intentions. Chinese leaders were aware that many experts were doubtful of China's peaceful rise and expected it to embrace its potential for hard power focused manipulation toward both their neighbour states, as well as American-led world order (Zakaria 2008, 115-116).

The scrutiny of such threat especially during the rapidly changing world in the beginning of 1990s forced the Chinese government to establish a think-tank process of finding ideas that would improve China's new image in the global political landscape. On May 1994, China hosted the first ever conference on Asian regional security (Shirk 2007, 105). During that time the CPC was anxious that small South East Asian states would join with the USA to try and apply the principle of 'balance of power' in order to contain China's further development and

growth. The potential for the resulting domestic backlash in China was not only predicted by the CPC via polling, but also by some American experts on Chinese domestic policy (Ibid).

Since removing the new social construct that lists China as one of the world ‘powers’ was impossible, the Chinese government decided that the best course of action would be to increase cooperation with every nation in their region. The orchestrated campaign of friendliness went under the unofficial name of adding the word ‘responsible’ to China’s already established ‘power’, thus the concept of ‘responsible power’ was born (Ibid, 106). The biggest change to improve the nation’s reputation was the way Chinese diplomats were presented to the general public. They were thought to be more pragmatic, but at the same time kept under the radar of media coverage (except those who were dealing with the sensitive relations with Taiwan, Japan and USA).

Under the banner of ‘responsible power’ China started to extend its soft-power policies and take extra care of its image as a rising superpower. Since the modern system allows China to remain on their track of fastest economic growth in history, they automatically can be considered as the most interested nation in keeping the status quo in the global economic system. Even if China sees most international organizations as Western dominated, its philosophical thinking is realist enough to understand that the reason for that was Western global domination during the time when the modern thought of international relations was emerging. For this reason, being accepted as a legitimate insider in the worldwide value system became the top priority for the CPC. Showing flexibility and adapting such global norms like the denouncement of non-democratic rouge states like Saddam Hussein’s Iraq and North Korea under the Kim Jong Il were important steps in showing China’s good intentions to other nations. In one of his speeches, Chinese foreign minister Tang Jiaxuan (in office from 1998-2003), apologized for Chinese initial support toward Yugoslav dictator Slobodan Milosevic, as he was a tyrant who enjoyed no support from his own people. (Shirk 2007, 107)

Yet the crucial stages of realigning themselves toward developing and supporting foreign neighbouring nations became a reality in the beginning of 2000s. To understand how China got to the point of benefiting from participating in the modern forms of foreign development aid, one must know the context of events that happened under President Hu Jintao.

### **3.1.1. Peaceful development**

In 2002 when Chinese new President Hu Jintao took office he immediately redefined the outdated campaign that China's foreign policy was relying on to maintain the nation's image. At the end of 2003, not many undemocratic states were vilified by the west (those that were, were at war with NATO and those that weren't, were economic partners). For that reason China could no longer use the principle of siding with the Western views to maintain their status of good and peacefully rising country.

When President Hu Jintao attempted to spread the term "China's peaceful rise" (Bijan 2005) he was attacked by Chinese neighbours under the premise of China's pledge (via the Anti-secession law) to show hostility against Taiwan if the latter chooses to completely separate. And yet the principle of 'Peaceful rise' wasn't just words, but a foreign policy doctrine aimed at improving the relationships with the neighbouring states.

Since after the backlash, the wording was changed to "Peaceful development" (Shirk 2007, 108) and a specific neighbour-states action agenda was set forward. Going contrary to what many believed that China would opt for using the hard-power policies, during his speech in 2004 in Switzerland, President Hu Jintao explained that modern China embraces its traditions of hospitality, sincerity, kindness, benevolence and trust towards its neighbours (Ibid, 109). He also added that China always follows through on what it promises and in current age it understands the importance of helping to develop the South East Asian (SEA) region, and that from a friendly partner's position (Ibid).

Under the peaceful development doctrine, China set out a briefing for establishing itself as a responsible power. Starting from 2004, China set a very successful three point plan, consisting of: 1) The need to aid its neighbours, 2) to become a team player and active participant in multilateral organizations and 3) to use its immense economic channels to gain even more partners and become friendly with as many states as possible. (Ibid)

The premise that China is truly interested in supporting the peaceful global system and, despite being run by communist party, is in the same camp with every well-meaning nation was successfully reflected in its 'Peaceful development' model, set by President Hu. The stark contrast with China's previous President Jiang Zemin was very noticeable. More importantly the 2007 polls show that throughout the whole era of Hu's presidency the established doctrine went positively with the Chinese neighbours (target group), but also extremely well with almost all of the developing countries (Kohut 2007). The citizens of these regions started to perceive

China not only as a good trading partner, but also as an alternative companion to the West, whose fair and open proposals of aid are not to be belittled, but embraced and admired.

### **3.1.2. China's aid to Southeast Asian nations**

Starting in the 1990s China was getting more and more institutionally interlinked with SEA nations. The official diplomatic opening with ASEAN began in the early 1990s when China saw the benefit in partnership-based regional relationships with SEA. The embrace of the multilateral approach over the bilateral one came after the 1997 Asian financial crisis (Shirk 2007, 119). As an alternative to US-led Asia Pacific Economic Cooperation (APEC) China proposed the joint forum where 10 ASEAN nations together with Japan, China and Korea created a dialogue platform that became called the ASEAN Plus Three.

However today's multilateral relationships go back to the China-ASEAN strategic partnership agreement, which was signed in 2003. Since then the establishment of one large and interconnected institutional framework between China and ASEAN was created in a series of forums such as, East Asia Summit (EAS), the ASEAN Regional Forum (ARF), ASEAN Defence Ministers Meeting Plus (ADMM Plus) and the dialogue platform of ASEAN Plus Three itself (Renwick 2016, 11). Crucially, since 2009, China has become ASEAN's single largest trading partner, as well as very generous and active participant in providing both charity based- and systemic governmental aid via newly established institutions.

Distinctively, China's aid to ASEAN nations goes beyond the simple model where bigger nation imposes their regulations on smaller lending- or aid beneficiary countries. Chinese diplomats were instructed to be as flexible as possible and to always try to find a way to make the deal suitable and worthwhile for both parties. The clear vision of 'win-win' and non-zero sum approach further increased China's positive image and influence among the SEA nations (Shirk 2007, 112).

Between 2010 and 2015 China has proposed the creation of multiple different development assistance initiatives with ASEAN. From 2010 onward, under numerous assistance initiatives, China is involved in many infrastructure improvement projects in all the countries of SEA region. The usage of new institutions that allow more beneficial investments and reasonable compromise can be seen in Chinese created Asian Infrastructure Investment Bank (AIIB), which it uses to loan money to ASEAN members under very good conditions. In

2016 China, via AIIB, paid out 560 million dollars as aid to underdeveloped ASEAN states and gave another 10 billion dollars as loans under lower interests than those offered by the World Bank (WB) (Rajagopalan 2015). The AIIB which was set to counter the WB and Asian Development Bank in development aid activities in Asia, despite being controversial among some Western power is very well received by its target user, the ASEAN.

Within the massive range of development assistance initiatives, the main focus was to construct advanced and up to date infrastructure in all ASEAN countries. With Chinese money and by Chinese companies the projects materialised in building bridges in Indonesia, airport and railway linking the capitals of China and Laos (which is expected to be used in 2020), two gas pipelines in Myanmar, dams and official governmental buildings in Cambodia and many other similar installations in other partner-states (Renwick 2016, 18-19).

The initiation of a large project called the China-ASEAN Action Plan on Comprehensive Food Productivity Enchantment allowed Chinese experts on agriculture to aid and assist different ASEAN countries to technically upgrade their equipment (all financed by China) and to set up an advanced system of regional epidemics and food poisoning prevention to guarantee future food security in this densely populated area of the planet (Ibid). Such wide-reaching and future planning projects like this are especially well received by the general population, but also toward improving the mutual trust among all the engaged partner states.

### **3.2. The Angola aid model**

For different reasons China has adopted its own aid principle, distinct from the aid model used by all other world superpowers. Yet the case can be made that China's aid philosophy is more useful than that of the famed West. Analysing this topic a factor becomes clear that of all the developing countries, those that are not aid dependent (Brazil, India) have grown much more steadily than those (mostly African) states that are very heavily relying on foreign aid-interference (Moyo 2009, 32). The long-term effect of Western 'money donation-based' aid is in most cases even destructive, as it regresses the poor African states who lose all incentives to think critically and develop their own policies which would help advance their country. Furthermore, since most aid reliant countries have problems with direct democratic rule and are high on many corruption-identifier indexes the aid only makes the situation worse. As the 'negative cycle of aid' theory states, the already corrupt rulers will further sabotage the transparency to steal the money from the population, but also since the population will keep

getting poorer the aid will also increase, which will further cement the endless cycle of never-ending corruption in extremely underdeveloped countries (Ibid, 43-44). According to data provided by the Organisation for Economic Co-operation and Development (OECD) 37% of UK's total aid in 2015 was 'lost'. That was due to mostly corrupt officials from recipient countries, lack of transparent channels of over-watch, donating money to suspicious organizations and desire to finance many unneeded and inappropriate projects in the first place (Matthews 2016).

The Chinese aid model as alternative to the West was first applied in Angola, where China has initiated a very large number of projects and has built most of Angolan infrastructure. The linkage of Chinese aid model to Angola comes from Chinese agreeing to offer Angola an alternative loan package, which was pleaded in 2002 to rebuilt Angolan cities after the 30 year long civil war (Hylton 2014) . The initial heavily conditioned aid, which was offered by the International Monetary Fund (IMF) looked very unattractive in the sense that the Angolan government would most likely get into more debt when trying to repay it. The Chinese alternative seemed much fairer, immediately available and almost unconditional. The main Chinese institution that deals with the aid payments to Africa is Export-Import bank of China (Exim) which is entirely owned by the Chinese government. From 2004-2010 Exim invested more than 14 billion dollar aid-capital to be allocated on various infrastructure projects to rebuild Angola (Ibid).

Since Chinese investment into Angola was among the largest it had ever given out in its history, the method to plan it all properly had to be revised. The new and very special principle in reconstructing the aid giver and receiver mechanics became called the "Planner-Searcher Approach" (Easterly 2006), where planner sets the initiative and outlines the problem to be solved, while the searcher considers the options and looks for the opportunities to solve the set problems in the most cost-efficient, effective and least time consuming manner. Under the searcher strategy, China doesn't provide their own insights, inputs and advices to the planner in regards to what needs to be built in their country, even if the end result could have a negative effect on that country's society overall (Hylton 2014). A good example of that was China agreeing to build a second large football stadium in Sierra Leone while the latter was in the middle of a civil conflict. As Chinese ambassador to Sierra Leone reported: "From our point of view, it is not necessary to build another stadium...No African country has two (Chinese-built) stadiums. The infrastructure in this country is bad. They need other things. But they insisted. So, finally we respected their choice". (Ibid)

As a searcher, China has only two set requirements for its aid recipient (the planner). First is the use of China's own companies in infrastructure contracting, and second the acceptance of 'One China principle', by not having close ties with Taiwan.

This system works for China because it goes by the principle of bilateral action. As a result, whatever happens, China is never directly accountable to any international organization, but only itself. All the Chinese companies that get signed to engage in various construction projects get their money directly from Exim bank, and thus are directly accountable to the Chinese government only. Uniquely, and this is important, China often doesn't pay the aid money to beneficiary states directly. Their own distinctive approach is to engage their own companies in the foreign aid process. For example the hydropower plant which was built via Chinese aid initiative in Cambodia's capital Phnom Penh was built by one of China's heavy machinery corporations (Renwick 2016, 18). This way Chinese government guarantees work to their own citizens, keeps the large amount of its own money circulating in its own economy, as well as removes the risk of aid-capital loss to foreign corrupt officials (over whom China lacks any direct control). It also helps to ease the legitimacy problem of the CPC as it directly shows their care towards the wellbeing of their citizens, in a unique way which probably no other country's government in the world can match.

The effective Angola aid model has three broad attributes to it. First is the emphasis on the "South-South Cooperation" principle (SSC) (Renwick 2016, 7), which stresses the fact that China itself is a developing nation so the mutual understanding and compassion will be much stronger in such collaboration. Under that attribute the aid from China is thus not simply an altruistic endeavour, but an essential element of Chinese soft power.

The second attribute, which is also probably the most appealing to China's South-South Cooperation partners is their non-interference mentality towards domestic affairs of other nations. The down-to-earth and very direct Chinese economic model known as the "Beijing Consensus", contrary to its western equivalent the "Washington Consensus" lacks the moralizing tone of demanding good governance and human rights and is in full promotion of self-determination and national sovereignty philosophy (Matthews 2016). African politicians and businessmen, democratic and not, prefer China's unconditional and non-interfering partnership over what many of them call 'Western hectoring' (Shirk 2007, 135). As one South African businessman said: "China was the first big power to come to Africa without acting as they are some kind of (morally superior) patron, teacher or conqueror" (Ibid).

The third attribute is the full promotion of bilateral activity. For China this is an important feature in controlling the money inflow and spending. Importantly this also serves

the previous point of respecting its partner's national sovereignty. In reverse to Western aid approach, Chinese leaders insist that in order for aid to have any long-term effects it must be focused on solving real sectoral issues, such as construction of mineral extraction machinery, agricultural sector improvement, upgrading the transport infrastructure, as opposed to indirect Western demands for improvement of gender equality and human rights (Matthews 2016).

After its immense success and resulting widespread approval from many developing African states, China decided it will stick to this system. Additionally the proof that since president Xi Jinping doubled the Chinese aid spending, China's image among most of global developing countries rose dramatically. From the report of Pew Research Centre, in 2014 only countries whose citizens viewed China negatively were developed. (Pew Research 2014)



## CONCLUSION

The main research hypothesis of this thesis was that Chinese government has a nonalignment approach in conducting foreign policy. But also to verify and confirm the supportive hypothesis, which established that Chinese application of foreign development aid is unique. The main perspective from which the arguments were developed, was the issue of Chinese domestic political fragility, which threatens to remove the CPC from power. Therefore, in order to maintain their grip over Chinese socio-economic system, the CPC has to find its own distinct ways of governing China. Two of such ways, the author argues, is keeping neutral in foreign affairs and aiding developing countries with large amounts of effectively implemented capital which helps to improve their infrastructure.

The main finding, which is analysed in the first chapter of this work, is that the Chinese domestic social- and political system is extremely fragile and very hard to maintain. The biggest issues that cause domestic instability are governmental corruption, the polarisation problem within the population, bad quality of medicine and general unavailability of universally high quality healthcare, ethnic struggles among the Chinese population, legitimacy crisis of Chinese governing elite and Taiwan's relationship with China and other states.

In order to understand how Chinese governments reached the point of having very conservative stance on getting politically involved in foreign nations affairs, the author analysed the Chinese domestic situation. The resulting discoveries, which are discussed in chapter one, point that China is a very fragile nation. Their society is, for over 70 years, under total control of domestic power elite that dominates every institution inside the country. The Communist Party of China (The CPC), despite being omnipresent in all its policies to remain in power, however struggles to maintain themselves as a legitimate political organization. Among other problems, the CPC needs to maintain the balance among 1.4 billion, ethnically divided population. The first chapter concludes that, despite the massive difficulties and many existential problems emerging along the way, the CPC has acquired a very deep understanding on how to constantly adapt to keep the status quo within China.

Following the implications that were studied in chapter one, chapter two analysed the Chinese nonalignment principle and its reasons. The historical perspective demonstrates that Chinese diplomatic culture is very set on the idea that the first step of every global conflict is forming an alliance, as well as the thought that every ally will sooner or later betray one another. Adding to this belief, the Chinese ruling party is also very keen on maintaining the current economic trade channels with various global partners. For this reason, but also for the reason of maintaining its constant economic growth, Chinese leaders are forced to remain neutral or merely friendly before all other political actors in the world. The only exception is Taiwan and territorial issues in the South China Sea, which is linked to Chinese domestic emotional instability and must be very tightly controlled both from the Chinese side, as well as by applying political and economic pressure on every foreign nation that seeks to engage in bilateral relations with Taipei.

Analysing the nonalignment principle more in depth, the author also finds that even if China would ally itself with any political entity, it would most likely be a very unreliable ally. The reason, once again, comes from the domestic situation in which the CPC does a lot to keep the Chinese general public satisfied with the direction the country is going. The most important definitive factor in any alliance is the burden sharing between its members. Because of that, for China, it can be very stressful if their ally, which can very well have an undemocratic governance, would find itself in a problematic situation and would need China to take position in its favour. Being a rational actor, China will most likely always choose against its ally and in favour of keeping domestic peace.

Additionally, the author has analysed the most relevant political organizations and state with whom China has multilateral and bilateral relations. Out of every actor that was analysed the closest country that could be a very good potential ally for China is Pakistan, however from Chinese part the nonalignment principle has more weight, because China already gets everything that it needs from Pakistan. Moreover since China is also trying to maintain a friendly relations with India the closeness with Pakistan might become an obstacle. However, as was discussed in the chapter, the interesting development to follow will be when India and Pakistan become full members of China-Russia led Shanghai Cooperation Organization.

Chapter three argues that Chinese foreign aid approach is unique to every other country or political organization (like the EU). The main finding is its 'Angola system' principle by which China never transfers the money to the aid beneficiary, but instead negotiates the state's leadership on which projects must be build (schools and hospitals) to then bring in China's own firms to engage in the construction. Under this model China provides, not only financial, but

full assistance in planning, financing and constructing various infrastructure projects in Africa. This way China ensures that: 1) the invested capital will never be at risk of falling prey to corrupt foreign officials; 2) despite foreign investment China still keeps the money within its own economic circulation by paying their own companies and workers; 3) China maintains its global reputation by being a good and reliable aid partner among other generous world superpowers; 4) The foreign aid policy is also used as a tool to keep Taiwan globally isolated by imposing the rule of having to accept the 'One China principle' if a country wants to receive the Chinese development aid. The foreign aid part also connects that by not being totally legitimate Chinese government is well received abroad and this helps boost their domestic legitimacy.

Regarding the obvious limitations of the current thesis, the biggest factor is the lacking of clear consensus of what an alliance truly is. In this thesis the principle of necessity of 'burden sharing between two parties' was presented as the main definition. However while analysing the topic and reading various data from different sources the author was perplexed at certain inconsistencies in witnessing how some experts use the term 'ally' so very widely, or when it is being used interchangeably with such fundamentally and qualitatively different terms as 'friendly neighbour'. The second limitation is the contradiction in how certain experts have understood various Chinese doctrines. For example to get a clear understanding of why President Hu Jintao initiated the 'Harmonious society' doctrine, one must read and listen to the perspectives of various authors, ideally if they also come from different countries. The reason for that is mainly because the doctrine was never officially been written down, but its contents were orally expressed via various interviews and speeches of the leading CPC members. Still, since the legacy of most Chinese leaders is being rated by the impact their policies and doctrines have had, it would be very useful to have the official documents available.

In suggesting and providing the ideas for future research, the author of this thesis finds that in order to conclusively prove that Chinese foreign policy has unique elements to it, more detailed comparisons with other comparatively wealthy superpower political entities would have been needed. On top of that, an interesting comparison between China and Singapore could be made, since both of these countries transformed their systems in similar manner and today both are run as very domestic-centric nations with biggest emphasis on continuous economic growth.

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## **APPENDICES**

### **Appendix 1. Early domestic power establishment of the Communist Party of China under Mao Zedong (1949-1976)**

When, in October 1949, the communist People's Republic of China was formed, its leader Mao Zedong had obtained almost ultimate authority over all domestic affairs, institutions and people within the mainland China. Including his de facto 'paramount leader' status, he also held multiple highest ranking 'de jure' positions within different leading institutions in China. At the same time as CPC's inner framework was transformed, Mao held the political positions of the 1st Chairman of the People's Republic of China, 1st Chairman of the Central Committee of the People's Republic of China, 1st Chairman of the Politburo of the Communist Party of China as well as highest military positions as the Supreme Commander in Chief of the PLA (the Chinese military institution – People's Liberation Army) and the Chairman of the CPC Central Military Commission.

As soon as his reign as an absolute leader began, Mao seemed to understand that the new China was still very weak, susceptible to every kind of inside and outside pressure and, after the ravages of the Second World War and Chinese revolution, had to be built up almost from the ground-zero. His views came to reflect the reality that with China being as large as it is, it would be unwise to form a government that would be divided by regions, as it can turn on its central power. Mao's only natural course was to totally legitimize and empower already powerful party of which he was the absolute leader: the Chinese Communist party (CPC).

Under Mao, China was still among the poorest countries in the world with very exhausted infrastructure and no foreign support (other than from Soviet Union, who themselves were not much better after the end of World War 2) since, on the Western side of Iron curtain, their regime was considered "evil". So to keep the country from revolting and CPC rule in place

he started a row of purging campaigns. Mao's aim was to create a society where everyone could easily be replaced from his position and displaced by another person. This way the threat to his communist regime was controllable by killing off those who were against or neutral to it, even if they were skilled workers.

As the state's infrastructure was being rebuilt and industries restarted, Mao staying true to his communist ideology, initiated a "Land Reform" (Fairbank 2006, 376). Not only was this campaign aimed at evening the social classes, by taking land from rich landowners and distributing it to peasants, but also to weed out counter-revolutionaries and his (or his party's) personal enemies. During the beginning of 1950s, rich landowners and intellectuals, most of whom were against communists during Chinese revolution, were massively executed and humiliated. Even though the estimated numbers of people killed during 1950s range from 700,000 to 5 million. (Meisner 1999, 72), it was widely considered necessary to purge the country of its enemies and for CPC to further secure its position.

To further extend and consolidate his power, Mao initiated one of the biggest 'clean-up' campaigns called "Three-anti and Five-anti Campaigns" (Ibid). The 'Three' part was specifically aimed at wiping out those who were considered as corrupt within the Communist Party, but also many bureaucratic members who were not part of the CPC. As Mao said in his 27 February, 1957 speech at the eleventh session of the Supreme State Conference: "During the movement against the "three evils" in 1952, we fought against corruption, waste and bureaucracy, with the emphasis on combating corruption". (People's Daily 1957)

The resulting terror within the country was mostly within rich and educated social class, but also minor authority figures of such institutions like local schools (teachers), small factories (senior workers and bosses) and even doctors in hospitals (Fairbank 2006, 349).

Perhaps the most famous purging campaign, which was this time, aimed toward the whole population (no matter the social status) was Mao's 1956 Hundred Flowers Campaign. When during the decolonization period in the 1950s, world was becoming more open and economic relationships more diverse, many Chinese started to have debates about whether China should drop its idea of socialism and focus on becoming a primarily capitalistic country. Mao's reaction to this was surprisingly open-minded. Being sure that socialism is much superior to any other form of economic and social ideology, Mao encouraged people to start an argumentative and constructive criticism of the Chinese regime. His motivations were threefold. First to legitimately listen to ordinary, loyal Chinese people and improve the CPC in accordance with what is beneficial to both Chinese society and Communist Party's power mobility and dynamics. His second motive was to let people engage in an intellectual arguments

so that those who doubted the socialism will be swayed by those who know that it's the most efficient system one country can run on. Third was to 'smoke out' the fake communists and two-faced CPC party members who did not believe in what Mao's China was about and who had close ties with non-red (usually also rich) bureaucrats (Fairbank 2006, 365).

Just like Chinese emperors in the past have allowed the open word of criticism towards the ways Empire was being ruled (albeit under strict control), so did Mao opened the floor for discussion. In his speech at eleventh session of the Supreme State Conference, he benevolently stated: "Letting a hundred flowers blossom and a hundred schools of thought contend is the policy for promoting progress in the arts and the sciences and a flourishing socialist culture in our land." (People's Daily 1957)

Mao then further exclaimed that these slogans were put forward in the light of China's specific conditions which recognized the continued existence of all kinds of opposing thoughts in socialist society and in response to China's urgent need to speed up its economic and cultural development.

Despite what possibly looked like a progressive and people-uniting plan, it essentially turned into anti-Rightist campaign. Overwhelmed by the amount of criticism, which even escalated into open marches carrying protesting posters against Communist regime, Mao ordered a fast retaliation by targeting most intellectuals and some CPC members. The victims, who were then immediately removed from their jobs, were labelled "rightist" and an enemy of the people. (Fairbank 2006, 365). The result was a devastating decapitation of many bright minds of China, which didn't leave ordinary peasants much alternative choices other than to worship their communist leaders.

The year 1957 is historically considered to be the first of China's "20 lost years" (Ibid, 366), which meant that by pushing out the intellectualism one creates a loop for anti-intellectual, ideological-nationalist and emotion driven generation. The argument can thus be made that Mao's Cultural Revolution, dated from 1966-1976, started already in 1957. Since after the intellectualist-purging Hundred Flowers Campaign, ordinary Chinese folk lost all authority in everyday life (other than CPC, who labelled themselves as people's party) and they started raising their children (new generation of Chinese) accordingly. Mao himself turned the propaganda towards criticizing the smart people as mere word users. He echoed to all the people that smart individuals (such as teachers in schools) were not to be trusted with things and ideas other than teaching children ordinary knowledge (math, Chinese language, geography). All ideological worldview and indoctrination were to come from loyal communist parents and the CPC members.

Perhaps the best example of CPC's total control over rural Chinese population during 1950s and 1960s is the switch from agriculture-based economy to industry-based, known as Great Leap Forward (GLF). The idea emerged from Stalinist model of industrialization, which required state to tax the agriculture to allocate more resources towards industry. (Ibid, 369) Unfortunately for Chinese population (who wasn't running on agricultural surplus before), China found itself a major deficit in grains to feed the people. CPC members, afraid of being called 'corrupt', lied that things were going according to plan and continued to distribute resources as if no deficit existed. This situation led many Chinese rural areas to starve to death. During the ensured great famine, Mao's administration was sending massive amounts of free grains to their communist allies abroad, as well as paying off Soviet money, which was borrowed during early 1950s. (Meisner 1999, 191-192)

The main innovation while enforcing the Great Leap Forward was to decentralize the administrative authority. That was done by sending minor members and lesser branches of CPC into various quarters in different cities or to countryside and giving them huge amount of power over local population. (Ibid) When the starving began, it was easy to criticize the failings of these reforms. In the early 1960s, when the economic damage was widely felt, the party itself got partially divided within its leadership. Two nationally respected and well-received experts: Secretary General of the Secretariat Deng Xiaoping together with PRC's President Liu Shaoqi clashed with Mao in trying to reverse some state-harming policies of GLF. Mao agreed that these policies have indeed harmed the image of CPC and that it is necessary to educate, after purging the corrupt, rural CPC members (local authority figures) on how to successfully run municipalities. (Fairbank 2006, 375)

From 1963-1964 CPC ran couple inner reforms of self-cleansing, called "The Four Clean-up Reforms" (Ibid pp 376). With careful expectations to rural areas Mao discovered that many CPC members turned themselves into 'local sovereigns' and abused people in very immoral and un-honourable acts. Despite damaging the Communist Party image, they also halted productions of different industrial and rural activities. The countermeasures to remove these people were similar to those used against 'rightists' during the 1950s. This shows that, uniquely to other historical non-democratic regimes, the CPC already during Mao's era, was constantly combatting and self-adjusting to population's sentiments in order to keep its power.

In conducting foreign relations with other countries, Mao's China was naturally allied with many other communist nations. However, after the death of Stalin, the two countries found each other on an ideological crossroads. The Sino-Soviet split, which took place as a series of events from 1957-1963, can be seen as an incident which was triggered more-so by China than

by the USSR. The communist alliance between these two states started in 1949 when Mao Zedong arrived in Moscow to meet with Soviet leader Joseph Stalin. As China transitioned and became PRC, it was necessary to renew the “1945 Sino-Soviet Treaty of Friendship and Alliance”. (Jian 1992, 21). At that time Mao, who himself was a face of new China, could without any risks acknowledge the status of cultic Soviet leader as the most authoritative global protector of communism. Mao, who didn't need to worry about CPC's legitimacy at home (since they just won the revolution) because of, primarily, his own immense status in China, could help carry through any sentiments Chinese might have about his own positions within global communism. While Chinese Communist Party was still freshly transforming itself into an institution that could run a country as large as China, Mao's personality was the ultimate pivot for domestic legitimacy.

However during 1960s, with Mao or not, CPC had already developed its own national style of communism, its national pride and domestic 'face' in front of Chinese population. When in 1957 (4 years after Stalin's death) Mao made his second trip to Moscow, he made a speech in which he hinted that the Soviet Union is no longer considered the peak of world communism. When the response was not positive among Soviet command and citizens alike, their new leader Nikita Khrushchev, having travelled to China in 1958 and 1959, gave a counter-criticism to Mao's prideful GLF policy. Keeping his frame as a leader, Mao responded that with this policy, failed or not, China is much closer to the purest form of communism (by Marxist theory) than Soviet Union ever was. (Fairbank 2006, 379). During the next few years the relationship between China and USSR became very cold, but still ongoing. That was until Mao decided, in 1958, to bombard a rebel group on one Chinese island on Taiwan Strait. Soviet Union, knowing that US would defend Taiwan and could potentially start a war with China, publicly condemned Chinese actions. This was the last drop of patience that both allies could endure and in 1963, after all their confrontations were made public, China and USSR made an ideological split, separating as allies. (Ibid, pp 380)

Analysing Mao's decision to challenge USSR's claims as 'gate-keepers' of global communism, one can examine the fact that he did not want to put his party at risk of taking away their status. Had Mao not challenged the Chinese image and footing as world's purest communist country and himself as the ultimate defender of all communists, the legitimacy of CPC and Chinese people's ideological indoctrination would most likely weaken, putting the whole regime at risk.

Perhaps the biggest transformation in the history of CPC was during the last decade of Mao's rule (and life), from 1966-1976, in the period known as Cultural Revolution (CR). To



keep the party closer to people, Mao decided to avoid letting party become an institution viewed by the people to be elite. As a result of the “anti-Rightist” purges of 1957 and the beginning of new ideological upbringing of the next Chinese generation, many young Chinese grew up to be very politically passive and obedient to communist authority. Understanding that context, the start of Mao’s last decade (from 1966-1976) was a widespread domestic political struggle. Fairbank 2006, 383).

CR was not simply another purge of party officials (around 60% were ‘erased’ from the party), but, crucially, a process of merging the army (PLA) with the Communist Party. The initial spark of CR began in 1965 when Mao started to have clashes with many other CPC members on issues regarding Sino-Soviet relations, need to establish better economic ties with USA and supervision of many domestic issues. Mao, who had almost unlimited power in China for almost 20 years at that point, saw this as a personal attack by “revisionist” activism. He decided that CPC needs to undergo large-scale bureaucratic changes from within. (Ibid)

Before starting the revolution Mao made a three step plan: 1) To have the absolute support of the military; 2) To rally the indoctrinated youngsters (mostly school students) in becoming his main purging force; 3) To seize the total control of CPC.

To start things off Mao created a Central Cultural Revolution Group (commonly known as the Gang of Four). Then he became acquainted with very high-ranking military general Lin Biao, who became his right-hand man and the voice of the PLA (Ibid 387). With this established, Mao initiated the second stage of his plan: unleashing the Red Guard (Mao’s army of students aged 8-18) on all the ‘intelligencia’, large amount of CPC and government officials under the slogan of removing the “Four Old’s” (Ibid 393) – old customs, old habits, old ideas and old culture. The true revolution of Maoist ideology was thus enforced.

When in 1967 CPC (and China as a whole) was successfully disdained, Mao decided it was right time to seize the power. As Red Guards were sent to free up all the bureaus around all the cities in China (Meisner 1999, 319), Mao’s PLA stayed on the side, true to their plan, and did nothing. Without the military support the inevitable defeat of CPC came on 1969, three years after the start of CR.

The aftermath saw the addition of PLA to the party structure. PLA was no longer simple subordinate to Chinese government, but an essential part of CPC. Much like in Soviet Union where the political elite clashed with military commanders for the control of the state, China under Mao also had to balance out the potential of military uprising. To keep control of the military, Mao very carefully chose CPC officials among the men who had the military past and deep understanding of all military structures. Contrary to how it was in Soviet Union, Chinese

leadership did not let one military unit take total control of the land they were stationed in, thus avoiding the fracturing of China into different military-led quarters (the military units were constantly rotated within 28 provincial military districts, Fairbank 2006, 388). People's Liberation Army was, this way, a moderate supportive tool in the hands of political establishment.

To imagine the contrast of the large-scale transformations within the CPC, one can imagine the view at the Ninth Party Congress in April 1969 (Ibid 395), where 2/3 of its 1500 delegates appeared in military uniforms. In just three years the CPC's military personnel increased from 19% to 45% of its total members. Furthermore, 2/3 of its Central Committee members (the political side of the CPC) were totally new officials, with non-prior experience and lesser intelligence than their banished ex-colleagues. To additionally stimulate the transition, the new staff of CPC adopted a new constitution, which was much shorter than the previous one and much more centred on Mao's personality cult.

The CR did not only change the domestic power dynamics, but also had a strong impact on Chinese foreign policy. After the Sino-Soviet split, Chinese foreign affairs started to reflect what was going on at home. During the Cultural Revolution Chinese foreign policy almost completely degenerated. Huge problem was that during 1966-1969 chaos, when Chinese Red Guard burned down and otherwise harassed many foreign embassies in Beijing (Meisner 1999, 322). Naturally the reaction from the global community was extremely negative. The resulting combination of foreign diplomatic response and Chinese domestic havoc pushed China's government to close many embassies abroad and return most of their diplomatic staff back to mainland.

In 1971 Mao's personality-following was greatly diminished. The main reasons for that were the harsh rules that military led-CPC members imposed on society and the 'disappearance' of second-in-command to Mao, General Lin Biao. When Mao decided to reduce the military influence within the CPC, first natural thing to do was to demote Lin Biao. When that was accomplished (and kept from public for 1 year) the Chinese reaction was negative. Since Lin Biao was often seen sitting close to Mao, he was considered his partner, which meant that banishing Lin was either: 1) Mao betraying a good man; 2) Good man deceiving Mao. The second option was more believable to regular Chinese, but also much worse, as it showed Mao to be a mere human who can fall for lies. As a result, by the mid-1970s, the violence of Cultural Revolution and Lin Biao's fall had tarnished Mao's image. (Fairbank 2006, 400; 405). As Mao's image dropped, the CPC became natural authority in China. It was no longer the special

aura of ‘eternal leader’ that drove Chinese to subordination, but the authority of who (and how) ran the main institution that was linked to everything inside the country.

The biggest novelty in the beginning of 1970s came when Chairman Mao, 1971 reached out to USA to end Chinese 20-year long, self-inflicted, political isolation. (Shirk 2007, 14). This move, which brought many sentiments of positivity to grim political atmosphere in China, was the first step of open-mindedness towards an ideological shift in economic transformation, which 7 years later was fully enforced by Chinas’ next great leader: Deng Xiaoping.

The death of Mao Zedong in 1976, ended a long chapter in modern Chinese history. As a first and longest serving ‘paramount leader’ of the PRC, Mao can either be considered as a delusional lunatic who almost turned his country into a failed state, or as a founding father of modern Mainland-China and as very proactive and unique thinker who managed to transform an outdated revolutionary platform (pre-1949 communist institution: CPC) into a large political, societal and military institution, to be used as a tool to aid one man run the country which is one of the largest in the history of human civilization.

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