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Towards a “New Era” in China’s Great Power Diplomacy

Justyna Szczudlik

In his first term, Chinese leader Xi Jinping abandoned Deng Xiaoping’s foreign policy dictum of “keeping a low profile.” But China’s activism in the middle of Xi’s first term was still more reactive than creative. However, in the last two years a new phase of diplomacy has emerged, in which all actions are subordinated to China’s unchanging strategic foreign policy goal of regaining its superpower status. This means that China strives to enforce change in the global system, which is dominated by the West.¹ The PRC is already trying to introduce new standards for international relations and promotes its values and principles more aggressively worldwide. There are already examples that Xi is effectively implementing his ideas.

In mid-March, Xi officially starts his second term as the chairman of the People’s Republic of China (PRC). Almost five months ago, at the Chinese Communist Party (CCP) congress in October 2017, Xi was again named Secretary General. He announced the slogan “New Era,” indicating a change in China’s domestic and foreign policies. Diplomatic activism characterised his first term. Under Xi’s leadership, foreign policy has been named “great power diplomacy with Chinese characteristics,”² which confirms that China’s strategic goal of regaining superpower status remains, as it has for years, unchanged. In that sense, Chinese diplomacy is characterised by continuity, but the toolkit and means to achieve this goal have been modified. China announced new diplomatic slogans, initiated cooperation forums and institutions, and continued to expand its geographical engagement beyond Asia. Nevertheless, despite this activism, Xi remained more focused on making changes in the global system from within rather than creating fully-fledged institutions and solutions based on Chinese principles. In the past two or three years, this approach has been evolving, with Chinese diplomacy becoming even more active than in the first part of Xi’s term. This new approach is visible both in theoretical and practical terms, and diplomacy is becoming more innovative. The Chinese narrative and policy actions are more vigorously spreading all over the world. At the same time, China extensively promotes Asia as a global centre, trying to bypass or ignore the West.

¹ In Chinese discourse, the West (*xifang*) or Western countries (*xifang guojia*) generally refer to North America and Europe. Latin America, Africa, the Middle East and Asia (especially South and Southeast Asia) are perceived as developing or emerging countries. The author defines the West as the community of states based on liberal democracy, respect for human rights and market economy.

² J. Szczudlik-Tatar, “Towards Great Power Diplomacy under Xi Jinping,” *PISM Policy Paper*, no. 9 (111), April 2015.

The most striking change is the process of reformulating concepts announced few years ago. It embraces the proliferation of buzzwords, which once were thematically narrow in scope but now embrace the whole world. New notions are inclusive, overwhelming and formulated in a manner that is difficult to oppose or ignore. China’s Belt and Road Initiative (BRI) is one well-known example. There are many more.

“The World Undergoing Huge Changes:” An Opportunity for China to Lead

There are two main reasons for this change. The first is the Chinese understanding of the current global and regional processes, which has deepened in the past two years. Chinese leaders love to use the expression “the world undergoing huge changes.” The second reason is the feeling that, under these circumstances, China is strong enough to set the tone. In Chinese eyes, the current global trend is the declining role of the West as the world’s political centre, economic engine and rule-setter, with Asia filling the vacuum. This is why Chinese leaders and experts very often use the expressions “East is going up, West is going down” and “South is going up, North is going down,” underscoring that the world’s political and economic centre of gravity is shifting from the Euro-Atlantic to the Asia-Pacific region.³ Several factors have influenced this conclusion and facilitated the PRC’s growing global role. One was the Asian crisis of 1997, during which China as a responsible power saved the region despite Western coercive measures. Another was the 2008 financial crisis, which China helped the West and the world to overcome. The result was the reform of the global governance system, with the G20 becoming the main global governance platform, and the IMF first expanding the voting rights of developing countries, especially China, and later including the yuan in the Special Drawing Rights system). But despite these changes, the default view of the global order and governance system is still that it is Western-led. In this respect, China highlights that the West not only was unable to cope with its problems but created many of them itself. In recent years, those problems have deepened and expanded. Examples include terrorism, protectionism, anti-globalisation sentiment, populism, global governance weaknesses, Brexit (which undermines European integration), migration problems, and a deteriorating relationship between the U.S. and the EU due to differences about trade, climate issues, and more. Tensions involving North Korea and instability in North Africa and the Middle East are also depicted as, to some extent, co-produced by the West, especially the United States. Political, economic and social landscapes in the U.S. and the EU are often openly described as being in chaos.⁴ At the same time, multilateralisation, globalisation and cultural diversity processes are becoming established as worldwide trends. This perception of the world leads China to the conclusion that the role and responsibility of developing countries is increasing. China, in its wisdom (often called *zhongguo zhihui*), seems to be approaching readiness to initiate reform of the global order.

Figure 1. China’s perceptions of the current global trends: East vs. West

China, Asia and the East	The U.S., Europe and the West
连与通 linking and connecting	阻与断 resistance and breaking
再全球化 re-globalisation	反全球化 anti-globalisation
共赢 win-win	零和博弈 zero-sum game

³ Su Ge, “2017 nian guoji xingshi yu zhongguo waijiao: luan zhong you bian, bian zhong you zhi” [International Situation and Chinese Diplomacy: there is a change within the chaos and there is a governance within the process of changes], *Dangdai Shijie*, no. 1, 2018; Wang Yang, “Tuidong xingcheng quanmian kaifang xinggeju” [To promote a new model of openness], *Renmin Ribao*, 10 November 2017.

⁴ Su Ge, *op. cit.*

一体化 integration	再国家化 re-nationalisation
开放 openness	保护主义 protectionism
包容 inclusiveness	隔离 isolation
东升 East goes up	西降 West goes down
南升 South goes up	北降 North goes down

Source: own compilation based on Chinese-language publications about PRC's foreign policy under Xi.

Renewed and Expanded Diplomatic Slogans

The aforementioned perception provides a conceptual background for China to change its diplomatic slogans. A few years ago, the prime buzzwords were “Chinese dream,” “Silk Road,” “new model of great powers relations,” etc. But the PRC has recently engaged in the extensive promotion of three main catchphrases as diplomatic pillars: “community of shared destiny for mankind” as the most comprehensive idea, “new model of international relations,” and “Chinese solution.” The first two are known as the “two cornerstones” (*liangge goujian*), while the third is an umbrella slogan indicating that Chinese values and standards based on Asian philosophy are effective in solving global problems. More broadly, those concepts are regarded as the Chinese contribution to international relations theory.

“Community of Shared Destiny for Mankind”

In 2013, Xi announced the “Asian community of destiny,” which highlights Asia’s growing role. Since early 2017, however, this slogan has been reformulated as “community of shared destiny for mankind” (*renlei mingyun gongtongti*). It was expanded from an Asia-oriented idea to a comprehensive one. Now this slogan is the most important in China’s diplomatic discourse. Xi announced it officially in the international domain in Geneva, January 2017, a day after his pro-free trade Davos speech.⁵ This slogan was introduced into the Chinese Communist Party (CCP) charter at the 19th Congress in October 2017. It is also argued that this concept has been acknowledged globally because it was written into two UN security resolutions in November 2017.⁶ The slogan was introduced into the Chinese constitution during the first session of the 13th China National People’s Congress (parliament) on 11 March this year.

It is explained that this idea is founded on globalisation, which means that we are all connected with each other. It is a Chinese vision of worldwide peace and happiness for everyone made by everyone. In the globalised world, no one could live and solve global problems alone. In that sense, it is advertised as an inclusive concept. Although this notion is rather blurred and seems to be utopian, it is in fact very Confucian-oriented, built on China’s understanding of the state and ancient vision of the global order. This vision is “organic,” divinely created and Sinocentric. In Chinese understanding, the state and Sinocentric global order are overwhelming and inclusive. No one can live outside the state. In that sense, the concept highlights in a subtle but rather clear way China’s centrality and its great power status. Chinese leaders and experts say openly that the goal of this concept is to create “a big family,” “one family under heaven”⁷ and

⁵ See: J. Szczudlik. D. Wnukowski, “China as an Engine of Globalisation: More Words than Deeds,” *PISM Policy Paper*, no. 5 (158), September 2017, p. 2.

⁶ Ruan Zongze, “Goujian renlei mingyun gongtongti zhuli zhongguo zhanlue jiyu qi” [To construct community of destiny for mankind to facilitate China’s period of strategic opportunity], *Guoji Wenti Yanjiu*, no. 1, 2018.

⁷ *Ibidem*.

“great unity.”⁸ They also use the expression “you have me, I have you,” which means inclusiveness. Xi often refers to ancient Chinese concepts such as “unity in diversity,” another Confucian slogan, in his speeches. In that sense, the “community of shared destiny for mankind” should be built on a network of partnerships rather than allies (this concept was unveiled few years ago), based on the Chinese slogan “partnership, not alliances.” Xi goes even further when he speaks of a “circle of friends.”

The rhetoric about “community of destiny” is built on opposition to the existing Western-led trends such as conditions for taking part in globalisation (for example, standards that must be met in order to receive funds or to be a member of a particular institution). In other words, China argues that existing principles are rooted in hegemonism and favour Western countries (“club of rich”). Xi appeals for democratisation of the international system to prevent its domination by one country. In Geneva, Xi assured that implementation of “community of destiny” will prevent a new kind of Peloponnesian War and Thucydides trap, a threat which frightens the West.

China uses its history to advocate a more active foreign policy. In Geneva, Xi referred to a time when China was a global power, contributing about 30% to the world’s economic growth without being aggressive or expansionist. He recalled China’s “century of humiliation,” a result of Western hegemony, and reminded listeners of Chinese achievements, such as its successful re-emergence. The PRC not only effectively rebuilt its superpower status via domestic reforms, but also helped the world. What is more, since the outbreak of the global financial crisis, China has been contributing 30% to global growth annually.⁹ Xi argues, indirectly, that history is now repeating, and that global development is impossible without China. His speech corresponded with his Davos address, during which he described the PRC as a promoter of globalisation.¹⁰

“New Model of International Relations”

The second important evolution concerns a “new type of great power relations.” This slogan was coined by Xi in 2012 when he was the PRC vice-chairman and reinforced in 2013 during his trip to the United States, to which it mainly refers. Russia, the European Union, India and Japan are also perceived as great powers.¹¹ Since early 2017, this concept has been recast as a “new model of international relations” (*xinxing guoji guanxi*). This is a little bit narrower than the “community of destiny,” although the two are intertwined.¹² As underscored by Wang Yi, minister of foreign affairs, while the role of the “community of destiny” is to cope jointly with global problems, the “new model of international relations” defines relations between different players to achieve the aforementioned goals.¹³

Generally, “new model of international relations” uses the same content as the slogan about great powers. It is based on avoidance of conflict and confrontation, mutual respect, win-win cooperation, fairness and justice. At first sight, this notion is vague as well. But in reality, it is based on the Chinese vision of international relations, which must be beneficial to China and its goal of being a superpower. The key is mutual respect, which refers to choosing a development model and social system but mostly concerns “core interests” (*hexin liyi*), which include a list of issues that China views as non-negotiable. Other countries acceptance of this formula means acknowledgement that the PRC has no room to compromise on these issues. The list of core interests is open-ended, but undoubtedly includes Taiwan, Hong Kong, Tibet,

⁸ Wang Fan, Ling Shengli (eds.), *Zhongguo juese, Zhongguo fangan: Zongguo tese daguo waijiao* [Chinese Role, Chinese Solution: Great Power Diplomacy with Chinese characteristics], Beijing 2018, pp. 294–295.

⁹ “Xi Jinping zai Lianheguo Rineiwa zhongbu yanjiang: gongtong goujian renlei mingyun gongtongti” [Xi Jinping’s speech delivered at the UN headquarters in Geneva: to jointly build community of destiny for mankind], 18 January 2017, www.fmprc.gov.cn; Wang Fan, Ling Shengli (red.), *op. cit.*, pp. 20–35.

¹⁰ J, Szczudlik, D. Wnukowski, *op. cit.*

¹¹ Wang Fan, Ling Shengli (eds.), *op. cit.*, pp. 127–165; Wang Yi, “Jinru xinshidai de zhongguo waijiao: kaiqi xin hangcheng fazhan xin qixing” [Entering new era of Chinese diplomacy: opening new journey, showing a new atmosphere], *Guoji Wenti Yanjiu*, no. 1, 2018.

¹² Liu Jianfei, “Zhongguo these daguo waijiao de shidai tese” [Great power diplomacy with Chinese characteristics in special times], *Guoji Wenti Yanjiu*, no. 2, 2017, p. 40.

¹³ Wang Yi, *op. cit.*

and the disputed islets of the South and East China Seas. Any attempt to question that those territories are Chinese is seen in the PRC as an affront to the country's sovereignty and territorial integrity. What is more, the number of Chinese interests with different "adjectives" is increasing. In the military strategy published in mid-2015, there is an expression of protection "overseas interests" (*haiwai liyi*), which should be protected not only by the government but also by enterprises, social organisations and the people.¹⁴ As China's activities are expanding, this may have further implications, especially as "core interests" in fact refer to Chinese spheres of influence,¹⁵ and those interests so far defined as "overseas" interests might be reformulated.

Like the "community of destiny," the "new model of international relations" is skilfully advocated as China's contribution to international relations in opposition to the Western-led model. The idea of no confrontation or conflict and promotion of mutual respect and a win-win ethos are shown as different from the realistic prevailing theories of international relations, which involve a zero-sum game and constant rivalry where the winner takes all. China argues that it proposes something new, rejecting the role of sole and hegemonic power and alliances which are "against" somebody.¹⁶

"Chinese Solution"

The two aforementioned notions are promoted as a "Chinese solution" (*zhongguo fang'an*). There are also variants of this slogan (Chinese wisdom, contribution, voice, style, recipe, characteristics), but the meaning is similar. This slogan has been promoted extensively since 2017 at home and abroad. Although it is not an entirely new slogan, its foreign dimension is a novelty. Since the 19th CPC congress, the "new era" slogan has been promoted widely, and in diplomatic discourse there are many "new" adjectives. So, "Chinese solution" might be considered an extension of the existing "Chinese model" slogan, coined several years ago to underscore that the "socialist market economy with Chinese characteristics" works well (offering double-digit GDP growth as proof of this), which is popular in China. Nevertheless, this was never promoted officially as a notion that might be emulated by other countries. It was explained that the Chinese model was limited to China, based on Chinese conditions. Furthermore, Chinese officials refrained from using this slogan, although it was frequently heard from experts and pundits.¹⁷ "Chinese solution," on the other hand, has been used extensively by Chinese leaders in their speeches and official documents. This slogan seems to be used to show the superiority of Chinese values, norms and standards such as an organic vision of global order with a centre which sets the tone, non-liberal values, economic development controlled by the state, etc. These solutions are marketed as more effective than Western values.

China's Further Expansion in Three Foreign Policy Circles¹⁸

China's new foreign policy ideas are being implemented via many other concepts and new toolkits. It is argued that well-known concepts such as the Belt and Road Initiative and "global partnership network" are merely sub-concepts and tools for embedding Chinese ideas in other people's minds. The PRC is juggling with various notions and instruments in its neighbourhood and globally. These include new policy papers and institutions and encompass new and different mode of activity such as types of investment (not necessarily driven by economic rationale) and soft political influence. All these activities are instruments for

¹⁴ Liu Jing, *Zhongguo haiwai liyi baohu. Haiwai fengxian leibie yu baohu shouduan* [The protection of China's overseas interests. The categories of overseas risks and protection means], Beijing, 2016, pp. 22–23.

¹⁵ F. Godement, *Czego chcą Chiny* [What does China want?], Warsaw, 2016.

¹⁶ Wang Fan, Ling Shengli, *op. cit.*, pp. 2–10, 280.

¹⁷ Pan Wei (ed.), *Zhongguo moshi. Jiedu renmin gongheguo de 60 nian* [Chinese model: The PRC's 60 years], Beijing, 2009; Hu Jian, "Zhenlun zhong de zhongguo moshi; neihan, tedian he yiyi" [About Chinese model: content, characteristics, and meaning], *Shehui Kexue*, no. 6, 2010, pp. 3–11.

¹⁸ The concept of China's three circles of foreign policy has been borrowed from the book: A. Halimarski, *Trzy kręgi polityki zagranicznej Chin* [Three circles of China's foreign policy], Warsaw, 1989. It assumes that Chinese foreign policy is focused on three areas, which might be depicted as three concentric rings with China in the centre.

“disseminating a Chinese voice in a good way.”¹⁹ It is important to look at several examples of how these trends look in each of three circles.

First & Second Circles: Neighbourhood and Asia-Pacific

For the purposes of China’s growing global ambitions, Asia is not only treated as the closest neighbourhood but also as a testing ground for narrower concepts which may then be extended to the wider Asia area and globally.²⁰ The BRI and Asian Infrastructure Investment Bank (AIIB) are good examples.

Referring to policy papers which China has recently been producing eagerly, it is worth mentioning the first region-directed document about security. “China’s Policies on Asia-Pacific Security Cooperation” was unveiled in January 2017. This paper is another example of the “extension” of an idea presented a few years ago. In 2014, at the CICA summit in Shanghai, Xi announced a “new Asian security concept” based on “Asia for Asians” and intended to dislodge U.S. influence and make China Asia’s main security provider. This new document provides a more detailed agenda in which security (like Chinese diplomatic ideas which oppose the West) should be cooperative, inclusive and equal, and based on partnerships rather than alliances.²¹

China is also eager to expand existing mechanisms or create new ones. The PRC uses two strategies in this respect. The first refers to reinvigorating institutions which are not well-known due to their regional scope. In 2014, it was CICA, but more recently has concerned the Xiangshan Forum, the Boao Forum, the Dalian Forum, etc. The second focuses on establishing entirely new mechanisms. Lately, the most promoted has been Lancang-Mekong River Cooperation, set up in November 2015 and including China, Myanmar, Laos, Thailand, Cambodia and Vietnam. The goal is to ease concerns about BRI in Southeast Asia via closer cooperation with member states. It is also a way to balance the Mekong River Commission without China’s membership.

China’s actions in particular countries are a telling example of how the PRC’s foreign policy is evolving to become influential both in economic and political terms. A good example is the new era of outbound Chinese investments, such as in South Asia. China is gaining foothold there, not only by exporting its overcapacities but also by setting up its overseas bases and reinvigorating the “string of pearls” notion. China is also acquiring a naval presence in South Asia, earning economic revenue, gaining control over projects and influencing political circles in the region. All of those activities are promoted under the BRI umbrella. China not only enhances cooperation with its “old” allies such as Pakistan, but also with, for example, the Maldives and Sri Lanka, which had not previously been high on China’s diplomatic agenda. In that sense, China is more open in its attempts to undermine the influence of both the U.S. and India. For example, the Maldives signed its first ever free trade agreement in December 2017, with China. What is more, the Maldives parliament adopted a law which allows foreigners to own land there if they commit at least \$1 billion and 70% of the project site is on reclaimed land. It is said that the main beneficiary might be China. The PRC is already a main player in the tourism sector, while Chinese people now outnumber Europeans as tourists there. A similar situation is being observed in Sri Lanka, where Hambantota port, developed on the basis of Chinese credit, was in December 2017 leased to China for 99 years. Gwadar port in Pakistan, with debts of \$90 billion, has granted operation rights to China for 40 years.²² China is also building other overseas bases using the “port alliances” framework in Southeast Asia, for example in Malaysia and Cambodia.

¹⁹ “Xi Jinping: jianghao Zhongguo gushi, chuango hao Zhongguo shengyin” [Xi Jinping: telling a good Chinese story, spreading a good Chinese voice], *Xinhua*, 20 August 2013.

²⁰ Wang Fan, Ling Shengli, *op. cit.*, p. 168.

²¹ *Zhongguo de yatai anquan hezuo zhengce baipishu (quanwen)* [White Book about China’s Policies on Asia-Pacific Security Cooperation (full text)], January 2017.

²² S. Ramachandran, “The China-Maldives Connection,” *The Diplomat*, 25 January 2018; J. Tarabay, “With Sri Lankan port acquisition, China adds another ‘pearl’ to its ‘string,’” *CNN*, 5 February 2018.

Apart from using economic means, China is trying to extend its political influence over other countries. For example, the autumn of 2017 was marked by a deep political row between China and Australia. The Australian government banned foreign political donations amid concerns of Chinese (and Russian) influence and interference in internal affairs.²³ China also used Philippines President Rodrigo Duterte's anti-U.S. stance to smooth relations between Beijing and Manila. As a result, the South China Sea disputes have been muted despite a Hague Arbitration Court ruling of July 2016 that was unfavourable for China. At the same time, China uses recent rumours about North Korea and the U.S. focus on this problem to expand its land reclamations and build artificial islets in the South China Sea.²⁴ Chinese authorities also took advantage of the North Korean crisis to exert political pressure and leverage economic coercion against South Korea during its presidential campaign. In addition, China tried to block the deployment of the U.S. antimissile system (THAAD) in South Korea.

The Third Circle: Global Arena

China is becoming very active in its third circle. A quick look at new or updated documents relating to various regions indicates China's growing activism. In the past three years, China has announced its second policy paper relating to Africa (December 2015), its first about the Arab States (January 2016), its second about Latin America and the Caribbean (November 2016), and its first in connection with the Arctic (January 2018). Those documents diversify China's diplomatic portfolio, but also raise concerns about upcoming rivalry not only with the United States, but also Russia and Europe.

The PRC also actively establishes new institutions, mainly under the "China+" formula. There are efforts to set up China+Mediterranean and China+Nordic mechanisms. The first has not yet been successful due to Italy's doubts, but the January 2018 meeting of parliamentary delegations from Latvia, Estonia, Lithuania, Sweden, Finland, Norway and Iceland in Beijing might be perceived as a step forward for the second. Another example of the "plus" formula is the BRICS+ mechanism. This aims to set up a dialogue between emerging and developing countries in order to create a globally influential new platform of South-South cooperation and to open "the second BRICS golden decade." By 2030, China plans to have a platform of cooperation with countries from Africa, Latin America, the Middle East and Central Asia, as these are perceived as developing and emerging regions.²⁵ China would like to be a spokesman for developing countries, and to make them an engine of worldwide politics and economy.

China also wishes to increase its impact on a bigger group of partners by arranging summits of multilateral organisations. In the last two years, under the "hosting diplomacy" framework, China has organised G20 in Hangzhou (2016), BRICS in Xiamen (2017), the Boao Forum (annually in March), and more. The first BRI International Forum, held in Beijing in May 2017, was considered to be the beginning of a new chapter in this "hosting diplomacy." While China has so far organised summits of existing institutions, the BRI Forum and Xi's new term mean China will be more focused on organising summits in China of those formats which have been created or will be created by the PRC.²⁶

High-level visits to China are another dimension of this kind of influence. Guests are received in a highly flattering manner and overwhelmed with Chinese culture and grandiosity to give a good impression of the country. An example of this approach was during U.S. President Donald Trump's visit to Beijing in November 2017. Xi has also been very active during his visits abroad, which were used for marketing the Chinese vision of the global order and China as a global power. The best examples are Xi's two speeches in

²³ J. Pearlman, "Australia bans foreign donations to political parties after China controversy," *Telegraph*, 5 December 2017.

²⁴ See: Asia Maritime Transparency Initiative, CSIS; C. Clover, "Beijing bolsters its islands in the South China Sea," *Financial Times*, 29 December 2017.

²⁵ Su Ge, *op. cit.*, Wang Yang, *op. cit.*, Wang Fan, Ling Shengli, *op. cit.*, pp. 183–201.

²⁶ Bei Wei, "'Yidai yilu', zhongguo zhuchang wajiao de xin biaozi" ['Belt and Road', a new symbol of China's hosting diplomacy], *Renmin Ribao*, 14 May 2017.

January 2017, in Davos and in Geneva. The *People's Daily*, mouthpiece of the party, celebrated the first anniversary of those two speeches.²⁷ This approach is called “telling good stories about China.”²⁸

China not only pursues a more diversified policy towards different regions and countries, but also uses miscellaneous sophisticated tools such as intensified political dialogue, people to people contacts and economic means with political goals to influence its partners. This is already happening in Europe. China's charm offensive is especially visible in Central Europe, where the 16+1 format was used to organise 233 events during the last five years. The 16+1 format embraces all possible formulas of contacts on the political, economic and people to people levels, and aims to create a good atmosphere and get a circle of friends.²⁹ Hence, the Chinese approach to the “16” is different than that of major European powers. The PRC pushes for infrastructure projects and acquisitions and aforementioned “soft power” activities within the “16.” In Western Europe, Chinese investment includes taking over high-tech companies, which raises some concerns.³⁰

Conclusions and Prospects

Under Xi's first term, especially in the first part, China's foreign policy shifted from economic to more political-driven diplomacy. In the last two or three years it has been becoming even more politicised, with clear geopolitical goals. One Chinese expert says that, under Xi, China's foreign policy is becoming what it should be: true great power diplomacy.³¹ Chinese leaders more openly refer to the country's ancient tradition from a time when China was the world's centre. China would like to set the tone and lead the world, which indicates that geopolitical competition will become even more apparent. In other words, Xi's “new era” in foreign policy may mean a more assertive approach, undermining the world order based on Western concepts and institutions. Under “China's solution,” Xi would like to export Chinese standards, values and principles as more effective and inclusive than those of the West. In his second term, Xi's diplomacy will be similar to that of the last two years, but the efforts and tools will multiply and become more sophisticated while the decision-making process in foreign policy will be consolidated to be more effective and to avoid overlap.³² There is no doubt that China is already exporting its way of thinking worldwide. The PRC is using soft and hard tools, influencing other countries directly and indirectly.

China seems to be effective in convincing others to buy Chinese rhetoric consciously or unconsciously. The Belt and Road Initiative, known and being discussed globally, is a good example. In that sense, the world speaks as China does. Another telling example was a statement by U.S. Secretary of State Rex Tillerson, made during his visit to China in 2017. He said that relations between China and the U.S. should be based on “no conflict, no confrontation, mutual respect and win-win cooperation.” The Chinese media declared that the U.S. had officially adopted its idea of a “new model of great power relations.”³³

China gathers partners from countries and regions which had previously been neglected or underestimated by Beijing or the West. As a result, such countries and regions present a more pro-Chinese approach than they did several years ago. There are examples in the Balkans and Central Europe. Hungary and Serbia are

²⁷ “Zhiyin renlei jinbu yu biange de liliang – Xi Jinping zhuxi zai Ruishi fabiao renlei mingyun gongtongti yanjiang yizhounian” [Guidelines to mankind's progress and the power change – the first anniversary of Xi Jinping's speech in Switzerland about community of destiny for mankind], *Renmin Ribao*, 26 January 2018.

²⁸ Wang Fan, Ling Shengli, *op. cit.*, p. 168, 272; Xi Jinping: jianghao..., *op. cit.*

²⁹ See: “Five-year Outcome List of Cooperation between China and Eastern and Eastern Europe,” Chinese MFA, 28 November 2018.

³⁰ See J. Seaman, M. Huotari, M. Otero-Iglesias, “Chinese Investment in Europe. A Country-Level Approach,” A Report by the European think tank Network on China (ETCN), December 2017.

³¹ The author argues that one can observe the process of China's *zheng ming* foreign policy. It is a Confucian concept of name rectification. See: Liu Jianfei, *op. cit.*, p. 32; Feng Youlan, *Krótko historia filozofii chińskich* [Short history of Chinese philosophy], Warsaw, 2001, p. 47.

³² T. Ng, “China to restructure foreign affairs team in push for greater role on world stage,” *South China Morning Post*, 10 March 2018. See also: “Waijiaobu buzhang Wang Yi jiu ‘Zhongguo waijiao zhengce he duiwai guanxi’ dawen” [The PRC's minister of foreign affairs Wang Yi answers questions about China's foreign policy and foreign relations], www.npc.gov.cn, 8 March 2018.

³³ S. Deyner, “In China debut, Tillerson appears to hand Beijing a diplomatic victory,” *The Washington Post*, 19 March 2017.

now perceived in China as two “number ones” within 16+1.³⁴ Furthermore, Hungary supported Chinese efforts in 2016 to be considered as a state with market economy status, while Hungary, Greece and Croatia exerted pressure to soften the EU statement after a court ruling at The Hague about the South China Sea in July 2016.

Apart from the aforementioned soft or indirect influence, China is also using harder tools to make countries reliant on it. Investments are useful instruments. In the case of infrastructure projects, which are marketed as BRI implementation, they often involve simple credit or loans guaranteed by the state. This creates public debt, shifting an investment risk onto the recipient country. As a result, such a country’s rating may decline, making it difficult to get funding from the World Bank, the IMF or the EU, and increasing its vulnerability to China. China’s infrastructure projects may stimulate short-term economic growth, but in the longer term, countries benefitting from investments may become over-dependent on the PRC. This “debt diplomacy” has another result, as countries struggling to make loan repayments offer China full control over the land on which a project backed by Chinese investment is being implemented. In this way, China may gain control of strategic assets, as is happening in most non-EU countries in Europe, mainly in the Balkans, and in both Southeast Asia and Africa.

Chinese investment is also used for political gains, for example to build links with decision-makers. A good example is the Maldives, which adopted a new law about land rights and signed its first FTA, of which China may be the main beneficiary. Another example is the Czech Republic, where one Chinese company purchased Czech real estate, a soccer team, a brewery, media companies, and more by using the “expectation to obtain diplomatic concessions.”³⁵ The company established personal links with Czech politicians,³⁶ and the country, traditionally pro-Tibetan and Taiwanese due to Václav Havel’s legacy, now pursues a pro-China policy under President Miloš Zeman.

In that sense, China is already exporting its standards and values. Its growing presence in other countries raises concerns about each host’s economy (comparative advantage), politics (attractiveness of liberal democracy) and security (access to critical assets and infrastructure).³⁷ As a result, proposals as EU investment screening have emerged, undermining the bloc’s credibility as an advocate of free trade and investment flows.³⁸ Paradoxically, China’s assertive approach has indirectly led the EU and others to adopt standards similar to those in China... and Beijing criticises the EU of being protectionist.

The outcome of China’s growing involvement might be positive as well. EU investment screening might be perceived as an example of a more decisive approach to China, while Chinese “infiltration” of the Balkans might be used by those countries as a bargaining chip to get more attention from Brussels and Washington. It seems that the Chinese presence is among the reasons for the EU Commission’s new position on the accession of the for Western Balkans to the EU.³⁹

Under strong leadership by Xi, China will not abandon its goal of replacing the U.S. as the global power. Equipped with appealing slogans and using multifaceted crises and weaknesses in the West, Beijing will

³⁴ Huang Ping, Liu Zhuokui (eds.), “Zhongguo-Zhongdongou guojia (16+1) hezuo wunian chengjiu baogao” [Report of China-CEE (16+1) five years cooperation results], pp. 4, 6.

³⁵ J. Seaman, M. Huotari, M. Otero-Iglesias, *op. cit.*, p. 13.

³⁶ The company, CEFC China Energy, set up its overseas headquarters in Prague, and its Chinese boss, Ye Jianming, became Zeman’s economic advisor. One of the company’s advisors admitted that CEFC’s philosophy is to realise China’s national interests and establish personal links with a host country’s president, premier, opposition parties and think tanks, in order to influence them. See: “Huaxin jituan Bai Yiming: wangneng faxian Huaxin wei guojia minzu fuwu de jiazhi” [Bai Yiming: hope to realise that our value is to serve the nation], *www.sina.com*, 6 January 2018. On 1 March this year, Chinese and then foreign media reported that Ye Jianming had been detained. This move does not change the principle that there are Chinese enterprises, officially private, which implement Chinese national goals abroad.

³⁷ J. Seaman, M. Huotari, M. Otero-Iglesias, *op. cit.*, pp. 9–14.

³⁸ M. Wąsiński, D. Wnukowski, “The European Union: Towards Trends in Global Trade,” *PISM Bulletin*, no. 16 (1087), 30 January 2018.

³⁹ T. Żornaczuk, “EU Enlargement in the Balkans: New Prospects for Resolving Old Challenges,” *PISM Bulletin*, no. 39 (1110), 2 March 2018.

continue to highlight its own solutions which reject liberal values. China already has some friends in Europe. Awareness grows that China is not only an opportunity but also might be a challenge, and the U.S. will not willingly give up world leadership.⁴⁰ In that sense, many countries might be put in the awkward position of having to choose between China and the United States. What, then, should the EU and European countries do? As China is already a major power, its concepts are comprehensive and overwhelming, so the best option is to keep many doors open. Europe, including Poland, should take advantage of the best options and cooperate both with China and other powers, for example by taking part in other projects such as BRI-type initiatives. The visit of Japan's prime minister to Central Europe in January 2018, and other countries' attempts to set up a BRI alternative,⁴¹ show that there are already many options. At the same time, Europe should be both defensive and more innovative in order to stay ahead.

⁴⁰ M.A. Piotrowski, "Changes in the Main Assumptions of the U.S. National Defence Strategy," *PISM Bulletin*, no. 14 (1085), 26 January 2018.

⁴¹ "Australia, U.S., India and Japan in Talks to Establish Belt and Road Initiative," *Reuters*, 19 February 2018; J. Szczudlik, "Many Belts and Many Roads: The Proliferation of Infrastructure Initiatives in Asia," *PISM Policy Paper*, no. 7 (148), February 2016.