



## CHAPTER II

# CONTEXTUAL BACKGROUND OF CHINA'S CULTURAL DIPLOMACY FROM THE 1990s

### 2.1. China's cultural diplomacy before 1990s

#### 2.1.1. China's traditional views on soft power

A study of China's traditional perceptions of soft power is useful in that it may offer further insight into the context of China's now using cultural diplomacy as a 'soft power tool' in its relations with Southeast Asia.

According to Alan Hunter, a Senior Lecturer in Peace Studies at the Center for Peace and Reconciliation Studies, Coventry University, UK, the concept of 'soft power' has formed a fundamental part of Chinese military thinking for over two thousand years<sup>1</sup>. Around the fourth century BCE, Sunzi, the great military strategist, devised the *Art of War* in which he stated elegantly a set of stratagems long-term planning as an integrated strategy to confuse putative rivals, throw them off balance, and hopefully to "win victories without striking a blow". He argued that diplomatic alliances are a more important element of an integrated security approach than military action. He emphasized on stratagems that include, among other things, deceiving enemies and undermining their home fronts, avoiding defeats and casualties, and winning over enemy civilians, soldiers and leaders. Many of the strategies have been adopted by generations of Chinese leaders and even become part of Chinese folk heritage, passed down in classic novels like the *Tales of the Three Kingdoms* as well as many now popular films and TV shows.

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<sup>1</sup> Alan Hunter, "China: Soft Power and Cultural Influence", paper presented at International Peace Research Association IPRA 2006 Conference; available at <http://ipra2006.com/papers/CRPBC/ChinaSoftPowerAndCulturalInfluence.doc>.

Another source that may create soft power is moral model of leadership, which can also be found in China's long-lasting traditional teachings of Confucius. As maintained by Confucianism, governance should be not only hierarchical but also reciprocal and ethics-based. In an ideal case, a ruler is supposed to demonstrate moral excellence and take wise decisions on behalf of his subjects in order to keep the state secure and prosperous. In doing so, the ruler will hold a "heavenly mandate" and be supported by all. The sense of obligation of the seniors to respect the interest of their juniors is even applied to various lower levels of Chinese institutional life. The seniors are expected to act fairly and generously; in response, they can obtain a return of loyalty and hard work from their juniors.

### **2.1.2. China's cultural diplomacy after the birth of the People's Republic of China**

Actually the topic of China's cultural diplomacy had received little attention by academics or researchers. The most comprehensive and seemingly the only piece of literature dealing with the topic is Herbert Passin's "China's Cultural Diplomacy", dating back to as early as 1962.

Shortly after the People's Republic of China came into being, the world was divided into two opposite camps of Communism and Capitalism with many complicated developments both within and between the two camps. In this context, China in conducting the cultural diplomacy, especially with the non-Communist world, aimed at objectives of three levels. The long-range one is revolutionary subversion, the overthrow of existing governments, and the establishment of Communist governments linked to the communist bloc. The medium-range objectives are to improve its basic position in the world, to project a more favorable image, to win friends and neutralize enemies; to gain recognition as an established, powerful state; to establish itself as a model for underdeveloped countries; to establish its identity with the revolutionary nationalist movements throughout the world; and to undercut the Western, especially the American position. In the short range, its objectives are more related to its current situations: breaking through trade barriers, settling border issues in a favorable manner, and expanding trade and technical aid.

There was often no clear cut between these levels, according to the author, as in the case of Japan. In its intermediate objective, the Chinese was successful to some extent in attracting Japanese businessmen to their country, solely for trade benefits. However, this non-ideological desire for trade resulted in the forming of one of the most important pressure group in Japan's society pushing for relaxation of trade barriers, easing of travel restrictions, and full recognition of Communist China, which apparently were the more immediate results that China longed for.

Actually the promotion of one's policies and position in the world is the goal of every country's cultural diplomacy. Herbert Passin did point out the difference of the China's way in that they had "a much clearer conception of their goals and a greater sense of urgency about them". Therefore, in practice, they employed the principles of conducting a very careful examination of the spectrum of susceptibilities in every country and using sensitively calibrated techniques to make contact with them. Under these principles, the exchange relations with Communist countries were regulated by official agreements, by which China often sent more people, especially in the learner categories to and received fewer from more developed countries such as Soviet Union and the Eastern European countries, while sending very few to and providing a wide variety of education and technical training for people from the less-developed countries such as North Korea, North Vietnam and Outer Mongolia.

In the relations with non-Communist countries, the extent of exchange did not only depend on whether the other countries recognized the Communist China but more importantly on how much the Chinese was able to find in these countries significant internal strata that were highly sympathetic. This explained the intense exchanges with France and Japan which did not have formal diplomatic relations with China but a substantial body of whose public opinion was very favorable to China. The prudent cultural diplomacy of China was also evident in its special efforts to make friends with the non-Communist backward countries, which China considered as their potential allies.

With a sustained and massive program of cultural diplomacy, it was hardly surprising that the volume of cultural exchanges between China and foreign countries was great. For example, in 1956 alone, 590 trade unionists from 43 countries, 300 young people from 39 countries and nearly 200 scientists from 19 countries visited China, while from China, 135 trade unionists visited 13 countries, over 200 youth delegates visited 22 countries, and 76 scientists attended 16 international scientific conferences in 13 countries. Also in the same year, 1,100 writers and artists from 37 countries visited China and over 1,300 artists and cultural workers from China visited 39 foreign countries. China sent abroad over 2,000 students for education and received 700 new students who came from abroad to attend Chinese universities and higher technical schools. China also sent 21 kinds of exhibitions of different aspects of Chinese culture to 24 countries in the world<sup>2</sup>. These cultural interactions with the outside world, both Communist and non-Communist, indisputably played a significant part in creating a more favorable or at least less severe atmosphere in which China could be able to open up and improve foreign relations and to win sympathy and support from foreign countries.

Another source of information regarding China's cultural diplomacy in this period comes from China. Recently a website on Chinese culture, sponsored by China's Ministry of Culture has posted a few articles on the formulation and development of China's external cultural exchange policy\*. Although they understandably contain much rhetoric, these papers are helpful in that they indicate how cultural diplomacy was valued in China and the role cultural diplomacy played in opening China's relationships with other countries. Except for the period during the Cultural Revolution when external cultural exchanges were obstructed, the PRC's leaders did highly value the role of cultural diplomacy in the country's foreign relations. In the 1950s, Premier Zhou Enlai was reported as saying that foreign economic and trade cooperation and foreign-related cultural exchange were the two wings of diplomatic work. At the Third Session of the First

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<sup>2</sup> Herbert Passin, *China's Cultural Diplomacy*, New York: Frederick A. Praeger, 1962, pp. 3.

\* See [http://www.chinaculture.org/gb/en\\_exchange/node\\_189.htm](http://www.chinaculture.org/gb/en_exchange/node_189.htm)

National People's Congress in 1956, he asserted that like economic cooperation, cultural exchanges were a critical factor in consolidating peace, friendship and cooperation among countries.

These articles also offer some typical examples in which the role of cultural diplomacy of China is evidently demonstrated. Just as Herbert Passin pointed out in his book, the relationship between Japan and China had been active even before the establishment of diplomatic relations in 1972 thanks to massive cultural exchanges between the two countries. As early as 1955, the two countries signed the first Sino-Japanese folk cultural exchange pact and subsequently sent many art troupes to the other country. Cultural exchanges also opened a way for China to get in contact with many European countries with which it did not have diplomatic relations. During the 1970s when the PRC changed its international relations strategy to a *détente* with the West, it was reputed for one act of cultural diplomacy that is Ping-pong diplomacy. The 1971 China's invitation to the US Table Tennis Delegation to China obviously played a significant part in opening the door for Sino-US relations. Following the event, American National Security Advisor Henry Kissinger and later President Nixon paid a visit to China respectively in 1971 and 1972, during which both sides pledged to work toward full normalization of diplomatic relations.

## **2.2. Context of China's cultural diplomacy from the 1990s**

### **2.2.1. The China threat**

China as a threat is not just a recent issue. The Red China used to be seen as a threat to the "*free world*" during the Cold War period. In Southeast Asia, in particular, between the 1950s to the 1970s, the People's Republic of China was perceived as a threat by non-communist Southeast Asian states in its vast support for communist insurgencies and for North Vietnam in their struggle to reunite the country. At the same time, the presence of a large number of the ethnic Chinese in Southeast Asian countries also made local governments fear of the possibility of them becoming the fifth column for the communist

China. This picture of China faded to a certain degree in the early 1980s, when China approached ASEAN for cooperation against the perceived Vietnamese expansionism vis-à-vis Cambodia issue. In part, the Chinese were successful in getting some of its non-communist neighbors, especially Thailand, to cooperate with them. In exchange, they decided to cut its support for the communist-led insurgencies in these countries. The China threat in this respect was, therefore, reduced.

However, even when the world entered the post-Cold War period in which there was no longer concrete division line between the two opposite camps of capitalism and communism, and ideologies no longer occupied a major position in foreign policy considerations, China was and so far has still been seen as a threat. It is because from the early 1990s, China has been rapidly rising as an economic and military power. Following the economic reforms introduced by Deng Xiaoping in 1979, China's economy has grown significantly, with a reported average growth rate of 8% annually. By the early twenty-first century, China is said to have become the fourth pole of the world economy, along with the US, Japan and Europe, because of its large trade volume as well as the mere magnitude of its national economy, based on its population of immense size and its well endowed resource base<sup>3</sup>. Facilitated by the rapidly accumulated economic wealth, China's military buildup has also been significantly speeded up. According to official estimates, the People's Liberation Army' budget rose over 140% from 1988 to 1995<sup>4</sup>. In the 21<sup>st</sup> century, the official figures are between \$ 30 billion to \$ 35 billion dollars.<sup>5</sup> These levels of expenditure are believed to be quite below the actual figures, which according to many are

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<sup>3</sup> Emma V. Broomfield, "Perceptions of Danger: the China Threat Theory", *Journal of Contemporary China*, 12 (35), 2003, pp. 272-273.

<sup>4</sup> *Ibid.*, pp. 277.

<sup>5</sup> Esther Pan, "The Scope of China's Military Threat", June 2, 2006; available at [http://www.cfr.org/publication/10824/scope\\_of\\_chinas\\_military\\_threat.html?breadcrumb=default](http://www.cfr.org/publication/10824/scope_of_chinas_military_threat.html?breadcrumb=default)

about four to five times, or even more, the official ones<sup>6</sup>. As a result, China's military capabilities have been increased substantially.

The economic and military rise of China has sparked a debate on a China threat theory in the arena of international politics. While much of the debate is about whether or not the Chinese rise can affect the interests of the United States and other great powers like Japan or European countries, sense of concerns has also been felt in Southeast Asia, the neighboring region of China. In fact, China is always a reality that Southeast Asia has to face. Therefore, every move by China in the realm of security must be watched closely by Southeast Asian states. In addition to its apparently increased military buildup, that China is also involved in territorial disputes with several Southeast Asian countries in the South China Sea is another source of concerns for Southeast Asia. This sea and its strings of islands are believed to contain rich natural resources like oil. The South China Sea is also a major shipping lane to Northeast Asia and it is in Japan's and South Korea's vital national interests that China not gain control of the sea. As far as Southeast Asia is concerned, several countries including Brunei, Malaysia, the Philippines and Vietnam are also contesting for some parts of the sea and islands. However, it is the Chinese belief that they have legitimate claims over the disputed areas and they, therefore, have shown their assertiveness that caused tensions and anxiety in Southeast Asia. In 1988, dispute over the Spratlys islands led to naval clashes between Vietnam and China, killing 70 Vietnamese naval personnel. In 1995, China was discovered to have occupied the Mischief Reef in the Philippine claim area, indicating that China's assertive behavior was not limited to Vietnam only as before. Despite opposition from the Philippines and ASEAN as a group, China continued the construction and extension of naval support structures on these islands, and by January 1999, the Philippine Armed Forces declared that these constructions on the Mischief Reef had been completed. Thus it is understandable that the Philippine intelligence agency described in 2002 the Spratlys as an example of "China's expansionism

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<sup>6</sup> Alan Collins, *The Security Dilemmas of Southeast Asia*, Singapore: ISEAS, 2000, pp. 138.

in Southeast Asia” and as “the greatest flashpoint for conflict” in the region<sup>7</sup>, while many others fear the Mischief Reef incident is just another stepping stone for China in its slow “naval march” down to South China Sea.

Another flashpoint that concerns Southeast Asia is Taiwan issue. While China appears to be tough on the issue of Taiwan’s independence, countries in Southeast Asia fear about the damage that China’s possible use of force against Taiwan would have on regional security and stability. First, if a military conflict over Taiwan erupted, it is not difficult to envision a scenario in which regional governments were preoccupied by the concerns about China’s willingness to use force to resolve such outstanding territorial disputes involving them as in South China Sea. Second, as Taiwan is one part of the triangle relations of China – Taiwan – the US, an armed conflict between China and Taiwan could lead to the Sino – American confrontation, thereby forcing ASEAN to choose between the two, a scenario that ASEAN has been trying to avoid in its diplomatic conduct of engaging and balancing great powers.

Furthermore, a possible conflict between China and Taiwan can also hurt Southeast Asia in another way. In spite of not having diplomatic relations with Taiwan, as they carefully attach to the policy of “one China”, Southeast Asian countries have maintained trade relations with Taiwan at quite a large extent since the late 1980s, in accordance with Taiwan’s Look South Policy. The bilateral trade volume increased significantly from US\$7,073 million in 1988 to US\$29,673 million in 1997. Since then, Taiwan has always maintained the position of one of the leading investors in Southeast Asia, with around US\$60 million in 1988 and rising up to US\$621.8 million in 1997, according to Taiwanese official statistics. The same index calculated by local governments of Southeast Asia is even much higher; for example as for the investment amount in 1997, the figure is US\$4,849 million<sup>8</sup>. Therefore, an armed conflict or even war between Taiwan and China

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<sup>7</sup> Quoted in Amitav Acharya, Seeking Security in the Dragon’s Shadow: China and Southeast Asia in the Emerging Asian Order, IDSS Working Paper no. 44, Singapore: March 2003, pp. 6.

<sup>8</sup> Ho Khai Leong and Samuel C. Y. Ku (eds.), China and Southeast Asia: Global Changes and Regional Challenges, Singapore: ISEAS, 2005, pp. 264-265.



would disrupt these economic ties with Southeast Asia and partly affect the economic security of this region. Early evidence of this can be obtained from the fact that leading indices of stock market in the region fell in the periods after the 1995/96 missile firing by Chinese off the Taiwan's coast<sup>9</sup>.

In the economic field, a China threat to Southeast Asia is even more real. Although Chinese officials often emphasize the complementary rather than competitive nature of China's and ASEAN's economies, it may be true only for a minority within ASEAN, which includes the more developed countries like Singapore and Malaysia. The rest are economically competitive with China, with some countries like Thailand, the Philippines and Indonesia being more or less at the same stage of development as China. For mainland Southeast Asian countries like Laos, Cambodia and Vietnam, the level of economic development is even lower, thus competition is much harder. Therefore China and ASEAN become direct competitors for export markets in the world, whereas China with great comparative advantages of huge pool of cheap and high-skilled labors can offer a wide variety of high-quality products at competitive prices. In bilateral trade relations, in many ASEAN countries, local enterprises are already at risk of losing out to China's cheap products. Fears are also being raised about Southeast Asia being reduced to "the role of supplier of food and raw materials to China in exchange for cheap manufactured goods"<sup>10</sup>.

Equal threat is being felt in the area of foreign direct investment (FDI). An editorial in the Asian Wall Street Journal in 2002 warns of the danger of Southeast Asia becoming a "backwater", since "whereas 10 years ago, 80% of total investment in East Asia headed to ASEAN countries and 20% to China, those ratios have been reversed"<sup>11</sup>. Those supporting

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<sup>9</sup> Derek da Cunha, "Southeast Asian Perceptions of China's Future Security Role in Its 'Backyard'", in Jonathan D. Pollack and Richard H. Yang (eds.), *In China's Shadow: Regional Perspectives on Chinese Foreign Policy and Military Development*, Santa Monica, CA: RAND Corporation 1998, Internet version, pp. 120.

<sup>10</sup> Quoted in Amitav Acharya, *Seeking Security in the Dragon's Shadow*, pp. 6.

<sup>11</sup> *Ibid.*, pp. 7.

this view believe that China's cheap labor and huge growing market lure foreign investment away from Southeast Asia. This appears to be proved by the sharp FDI decline in Southeast Asia, from \$20.37 billion in 1994 to \$16.189 billion in 1999 and \$10 billion in 2000, while the FDI flows to China increased from only \$3.4 billion in 1990 to \$33.787 billion in 1994 and \$40.4 billion in 1999, and has remained around \$40 billion since then<sup>12</sup>. The recent entry of China into the World Trade Organization (WTO) has also created more anxieties that China would be able to attract more foreign investors at the expense of Southeast Asian countries.

### 2.2.2. Southeast Asia in China's calculations

It is quite obvious that to a certain degree, China's rise has been seen as somehow a concern, if not a threat, to the Southeast Asian region. However, as for China, this region plays an important role to its traditional security and economic reform. According to Michael A. Glosny's<sup>13</sup> review of China's perspectives, with the arrival of European navies in the 19<sup>th</sup> century, Southeast Asia became a strategic base for foreigners to invade China. During the Cold War, Southeast Asia was an important part of both US and Soviet Union's strategies to enclose China. In the post-Cold War period, it is in China's interest to maintain good relations with the region to avoid the scenarios in which Southeast Asia invites the great powers to the region or forms an anti-China coalition. Moreover, good relationship with Southeast Asia could help China break the US strategic encirclement of China, now that the United States enjoys very strong strategic relationship with Japan.

Southeast Asia is also crucial to China's implementation of economic reform. This region is a source of natural resources, trade and investment important to China's economic modernization. Instability in the region may disrupt China's efforts to concentrate on domestic economic development, especially if the instability derives from its relations with

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<sup>12</sup> Ibid., pp. 8, and Joseph Y. S. Cheng, "Sino-ASEAN Relations in the Early Twenty-First Century", *Contemporary Southeast Asia*, Vol. 23, No. 3, Dec 2001, pp. 434.

<sup>13</sup> Michael A. Glosny, "Heading toward a Win-Win Future? Recent Developments in China's Policy toward Southeast Asia", *Asian Security*, Vol. 2, No. 1, 2006, pp. 26.

regional countries, since its resources may have to be redirected to resolving such problems. In addition, China hopes that increased economic relations with mainland Southeast Asia can help stimulate economic growth in its economically backward southwestern provinces such as Yunnan and Guangxi.

While a fundamental objective in its relations with Southeast Asia is to maintain a peaceful and stable regional environment in which China can pursue its goal of strategic economic development, Beijing also aims at promoting Chinese leadership and influence within the region. Many authors argue that as all past great powers had a strong footing in their own regions, if China hopes to reach the status of a great power in Asia or in the world, it must be able to exercise power and influence in Southeast Asia first<sup>14</sup>. By building a ring of friendly countries on its periphery, it is Beijing's hope that this Southeast Asian, or more broadly East Asian community would serve as a strategic buffer against future American pressure on China. Furthermore, as a regional leader, China would be able to exert influence over its neighbors on such political issues important to itself as Taiwan or the Falung Gong religious sect. The PRC also hopes to safeguard the security of its oil import shipping, which currently runs across the straits near Malacca and Singapore. Nearly 80 percent of its oil imports from the Middle East and Africa, along with much of its trade with Europe, South Asia and Africa, pass through maritime Southeast Asia, it becomes vulnerable to piracy or terrorism in the Straits of Malacca, or even blockage by the US navy in case of war over Taiwan. In order to bypass the Straits, China has expressed an interest in the strategic energy land-bridge project that would pipe oil across Thailand's Kra Isthmus, and is considering the construction of pipeline from Myanmar's deep-water port at Sittwe on the Bay of Bengal coast to its southern city of Kunming<sup>15</sup>.

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<sup>14</sup> Ibid., pp. 27.

<sup>15</sup> Michael R. Chambers, "China and Southeast Asia: Creating a "Win-Win" Neighborhood", in *China's 'Good Neighbor' Diplomacy: A Wolf in Sheep's Clothing?*, the Wilson Center's Asia Program Special Report series No. 126, January 2005, pp. 20.

It is, therefore, in Chinese interests that the PRC maintains friendly relations with its Southeast Asian neighbors. Given the concerns about a China threat are still pervading in the region, it is crucial for China to dispel these concerns and present an image of a benign China, by assuring them of the opportunities that China can offer to regional economic development and security stability.

Moreover, as Michael R. Chambers observes, China is well aware that Southeast Asian countries can either accommodate or balance against China's rising economic and political influence. Because ASEAN in balancing China would invite such great powers as the United States and Japan, with both of which China still finds difficult to manage the relationships, and both of which possess capabilities to affect Chinese regional interests, China certainly prefers accommodation option. Therefore, it is always "a prudent policy for China to seek to reassure its neighbors, to include them in the benefits from China's rise, and to be a good neighbor."<sup>16</sup> In fact, China has already learnt about the consequence of its assertiveness vis-à-vis Southeast Asian states. As a result of the Mischief Reef incident in 1995, ASEAN appeared to be more united in its stance against China. After the incident, senior officials of the association told their Chinese counterparts in a meeting in China that Beijing's actions in the South China Sea were very serious and that it should cease building military structures on disputed islands<sup>17</sup>. Individually, the Philippines found Chinese actions in 1995/96 and again in 1998 a sufficient reason for them to regenerate a delayed modernization program for the Armed Forces of the Philippines (AFP) and to forge closer military ties with the US. In October 1998, the Philippines agreed to resume joint military exercises with the US for the first time since 1991, and in May 1999 its Senate ratified the Visiting Forces Agreement (VFA) with the US. The general disquiet over China's actions in the South China Sea also led other Southeast Asian nations like Malaysia and Singapore to reiterate the importance of the US military presence in the region. Indonesia is even a special case, as after a Chinese map published in 1994 indicated that Indonesian's Natuna

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<sup>16</sup> Ibid., pp. 18.

<sup>17</sup> Derek da Cunha, "Southeast Asian Perceptions of China's Future Security Role", pp. 123.

gas field fell within China's territorial claim, Indonesia for the first time broke its long-tradition of non-alignment in order to sign a defense agreement with Australia in December 1995<sup>18</sup>.

Accordingly, from the late 1990s and especially in the early twenty-first century, China began to actively and proactively carry out its good neighbor diplomacy towards Southeast Asia. Chinese efforts can be seen in improving political relations, strengthening security and economic cooperation and subtly cultivating China's soft power all over the region.

### **2.2.3. China's good neighbor policy towards Southeast Asia**

#### **2.2.3.1 Improving political relations**

In order to build political trust, which can serve as a foundation for further cooperation in other areas, dispersing suspicions of China's good intentions and assuaging anxieties about negative implications of the China's rise, Beijing has been actively improving its political relations with every state of Southeast Asia. Now that Southeast Asia is not a region of uniformity, China has carefully sought common ground with each of the ASEAN states. Therefore, only between 1999 and 2000, China has succeeded in signing bilateral political agreements with all ASEAN countries that lay out road maps for all-around cooperation in the future<sup>19</sup>. These relationships have been further boosted by China's repeated high-level exchanges of visits to ASEAN countries, during which various issues of cooperation are discussed. The high frequency of these bilateral high-level visits is evident in the Table 1.

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<sup>18</sup> Alan Collins, *The Security Dilemmas*, pp. 152-156.

<sup>19</sup> Kuik Cheng-Chwee, "Multilateralism in China's ASEAN Policy: Its Evolution, Characteristics, and Aspiration", *Contemporary Southeast Asia* 27, No. 1, 2005, pp. 114.

**Table 1: Important recent high-level visits in Sino –ASEAN relations**

<b>Date</b>	<b>Official</b>	<b>Destinations</b>
Feb 2002	President Jiang Zemin	Vietnam
March 2002	Brunei Crown Prince Muhtadee Billah	China
March 2002	Indonesia President Megawati Soekarnoputri	China
April 2002	Vice President Hu Jintao	Malaysia
April 2002	Vice President Hu Jintao	Singapore
May 2002	Foreign Minister Tang Jiaxuan	Indonesia
Sept. 2002	Chairman of NPC Li Peng	Indonesia
Sept. 2002	Chairman of NPC Li Peng	Philippines
Feb. 2003	Thai Prime Minister Thaksin Shinawattra	China
April 2003	Gen.Sec. of Vietnamese Communist Party Nong Duc Manh	China
June 2003	Foreign Minister Li Zhaoxing	Vietnam
July 2003	Foreign Minister Li Zhaoxing	Singapore
Sept. 2003	Malaysia Deputy PM Abdullah Badawi	China
Oct. 2003	President Hu Jintao	Thailand
May 2004	Singapore Deputy PM Lee Hsien Loong	China
May 2004	Vietnam PM Phan Van Khai	China
May 2004	Malaysia PM Abdullah Ahmad Badawi	China
June 2004	Vietnam Foreign Minister Nguyen Di Nien	China
June 2004	Foreign Minister Li Zhaoxing	Philippines
July 2004	Myanmar PM Khin Nyunt	China
Sept. 2004	Philippines President Gloria Macapagal-Arroyo	China
Oct. 2004	Premier Wen Jiabao	Vietnam
Oct. 2004	Cambodia King Norodom Sihamoni	China
Nov. 2004	Former Foreign Minister and special envoy Tang Jiaxuan	Indonesia
Nov. 2004	Former Foreign Minister and special envoy Tang Jiaxuan	Thailand
Nov. 2004	Former Foreign Minister and special envoy Tang Jiaxuan	Malaysia
Jan. 2005	Singapore Foreign Minister George Yeo	China
Feb. 2005	Malaysia Supreme Head of State Tuanku Syed Sirajuddin	China

March 2005	Philippine Secretary of Foreign Affairs Alberto G. Romulo	China
April 2005	President Hu Jintao	Brunei
April 2005	President Hu Jintao	Indonesia
April 2005	President Hu Jintao	Philippines
May 2005	Chairman of NPC Wu Bangguo	Singapore
May 2005	Chairman of NPC Wu Bangguo	Malaysia
July 2005	Thai Prime Minister Thaksin Shinawattra	China
July 2005	Vietnam President Tran Duc Luong	China
July 2005	China Foreign Minister Li Zhaoxing	Laos
July 2005	China Foreign Minister Li Zhaoxing	Myanmar
July 2005	Indonesia President Susilo Bambang Yudhoyono	China
August 2005	Cambodia King Norodom Sihamoni	China
Oct. 2005	Singapore PM Lee Hsien Loong	China
Nov. 2005	President Hu Jintao	Vietnam
Dec. 2005	Premier Wen Jiabao	Malaysia

*Source:* Michael A. Glosny, "Heading toward a Win-Win Future? Recent Developments in China's Policy toward Southeast Asia", *Asian Security*, Vol. 2, No. 1, 2006.

At the same time, China has also increased its participation in regional multilateral institutions so as to strengthen China – ASEAN mutual trust and cooperation thereafter. In fact, China has engaged in several multilateral structures of ASEAN since the early 1990s. For example, China was among the original members of the ASEAN Regional Forum (ARF) in 1994 and agreed to ASEAN's suggestion to start an annual consultation on political and security issues at senior official level in 1995. However, Beijing's participation in these institutions was passive and apprehensive, for fear that they were either hostile to or constraining it. By the late 1990s, after a period of observation and reevaluation, China became very active in these regional institutions and dialogues. In an attempt to show its goodwill and continue to build a solid foundation for cooperation, China asked to become a full dialogue partner of ASEAN in the 1995 annual ASEAN foreign ministers' meeting. China also worked to issue the first joint declaration with ASEAN in December 1997, spelling out developing a "partnership of good neighborliness

and mutual trust” as its ultimate aim. In the same year, China helped ASEAN initiate the ASEAN Plus Three mechanism, a series of annual meetings among 10 ASEAN countries plus China, Japan and South Korea, and later ASEAN Plus 1 (China). China also shows its enthusiasm for ASEAN by initiating and hosting many of the ASEAN-related meetings.

Perhaps the most significant development in China – ASEAN political relations is the accession of China to ASEAN’s Treaty of Amity and Cooperation (TAC) in October 2003. As Michael A. Glosny puts it, “agreeing to follow these [TAC] principles and taking actions consistent with them was especially meaningful for ASEAN states and made China’s promises to uphold the principles of sovereignty and non-interference in the internal affairs of others much more believable”<sup>20</sup>. It is also a clear indication of China’s recognition of ASEAN as an important entity in the region. China’s esteem for ASEAN is further consolidated when, in June 2004, Beijing publicly “reaffirmed” its “support for ASEAN’s role as the major driving force in East Asia cooperation”<sup>21</sup>. Undoubtedly, these moves have had their part in substantially reducing mistrust in the relations between China and ASEAN.

It is also noteworthy that in all diplomatic activities of China in Southeast Asia, political rhetoric has been employed widely in order to support the achievement of political objectives. Chinese leaders has repeatedly asserted that Beijing will not seek hegemony as it develops, and that it will not follow the bullying ways of other great powers that have risen in the past<sup>22</sup>. In his April 2002 visit to Malaysia and Singapore, President Hu Jintao stated that China’s economic expansion is “a positive force for making an economically stronger and more stable Asia.”<sup>23</sup> Premier Wen Jiabao used the image of a friendly elephant

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<sup>20</sup> Michael A. Glosny, “Heading toward a Win-Win Future?”, pp. 36.

<sup>21</sup> Joint Press Release of the ASEAN-China Foreign Minister’s Informal meeting in Qingdao, China, June 21, 2004. Quoted in Michael R. Chambers, “China and Southeast Asia”, pp. 22.

<sup>22</sup> Michael R. Chambers, “China and Southeast Asia”, pp. 18.

<sup>23</sup> Quoted in Ho Khai Loeng and Samuel C. Y. Ku (eds), *China and Southeast Asia*, pp. 312.



to refer to a benevolent rising China. Recently, Beijing has promoted the use of the term “peaceful rise”, later changed to “peaceful development” to convey the message that China's rise “will not come at the cost of any other country, will not stand in the way of any other country, nor pose a threat to any other country”<sup>24</sup>.

#### **2.2.3.2. Strengthening security cooperation**

Security is one of the major preoccupations of ASEAN states in developing their relations with China, given that many of the ASEAN states are involved in territorial disputes with China, while all states at varying degrees register a certain level of concerns over China's increased military modernization. If China is to build up and maintain friendly relationships with ASEAN as an organization and ASEAN states bilaterally, it has to address the security concerns in these areas.

Again, in accordance with its good neighbor diplomacy, China has moved to resolve or at least reduce the tension relating to territorial disputes with its Southeast Asian neighbors. Bilaterally, China signed a land border demarcation agreement with Laos in 1991 and with Vietnam in 1999. In 2000, it also signed with Vietnam an agreement regarding the maritime boundaries and fishery cooperation in the Tonkin Gulf. Although some in Vietnam are reportedly not happy about the settlement, these agreements represented a major breakthrough in the Sino-Vietnamese relations, given that the negotiation process had taken a long time since the early 1990s.

The South China Sea is another issue to test China's goodwill. As China has learnt, any irredentist action in the South China Sea will potentially put China at the risk of failing to achieve its more immediate objective of economic development and spoiling its efforts to build good relations with ASEAN states. Therefore, over the last five years, China has stopped making assertive moves and committed itself to moving toward signing a

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<sup>24</sup> Chinese Premier Wen Jiabao in 2004, quoted in Esther Pan, “The Promise and Pitfalls of China's ‘Peaceful Rise’”, Council on Foreign Relations, April 2006, available at <http://www.cfr.org/publication/10446>.

multilateral code of conduct with ASEAN claimant states<sup>25</sup>. In negotiations for the code of conduct, China's concerns were clearly revealed when it insisted on including a ban on naval military patrols in the disputed area and a call on parties involved to refrain from "conducting any military exercises directed against other countries in the Nansha Islands and their adjacent waters"<sup>26</sup>, which arguably imply military cooperation of countries like the Philippines with other great powers like the United States. After several years of negotiations, the parties finally signed a declaration on a code of conduct in the South China Sea in November 2002, in which all parties agreed on self-restraint and confidence building in the disputed areas of the South China Sea.

The declaration still has some limitations, but both China and ASEAN claimant states do not expect to resolve the territorial disputes over the Spratlys Islands in the near future, whereas they share a common interest in maintaining a peaceful, stable environment for economic development<sup>27</sup>. Therefore the Declaration is seen as a necessary step to reduce tensions and gradually induce China to accept to work with ASEAN multilaterally, as opposed to its previous insistence on resolving the issue on a bilateral basis. Moreover, as China and ASEAN have become increasingly engaged in other multilateral frameworks, especially in the area of economics, and that ASEAN is a necessary tool for China to balance both the US and Japan in the region, China has found itself increasingly constrained from acting unilaterally to assert its claims in the South China Sea, despite its earlier intentions.

At the same time, China's moderation towards Taiwan has also comforted Southeast Asian countries to a certain extent. Slightly different from the South China Sea issue, China holds on to more nationalist feelings with regard to the reunification with Taiwan. However, China appears to have started "trading belligerence and coercive tactics for

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<sup>25</sup> Michael Y. Glosny, "Heading toward a Win-Win Future?", pp. 37.

<sup>26</sup> Leszek Buszynski, "ASEAN, the Declaration on Conduct, and the South China Sea", Contemporary Southeast Asia 25, No. 3, 2003, pp. 356.

<sup>27</sup> Joseph Y. S. Cheng, Sino – ASEAN Relations in the Early Twenty-First Century, pp. 440.

patience and moderation” in dealing with Taiwan<sup>28</sup>. It has dropped its intention to set a rough time frame for reunification and has toned down its threat of military forces. Furthermore, China respects the economic ties of Taiwan with ASEAN states, as long as the ASEAN states abide by the policy of One China.

Regarding China’s increasingly building up its military capabilities, despite being aware that it is more directed at Taiwan, ASEAN states still fear that it could be used against them, especially in the disputed areas of South China Sea. Nevertheless, these concerns appear to have been offset at a considerable degree by China’s efforts to build confidence with ASEAN by means of a series of bilateral and multilateral military exchanges and security cooperation. In recent years, China has stepped up bilateral exchanges of military officials and military consultations with ASEAN states. For example, China started the annual defense consultation talks with Thailand in 2001 and extended this kind of talks to Vietnam and the Philippines in 2005. Chinese navy has begun making port calls on Southeast Asian countries. Beijing also provides military assistance to CLMV and other countries.

In an effort to tone down regional anxiety about its military modernization, China has agreed to pressures from ASEAN and other states to issue white papers on defense affairs. In 1995, Beijing published a White Paper on Arms Control, and from 1998 it has released annual Defense White Paper. Despite falling short of global, or even some regional nations’ standard, that Beijing has issued defense white papers with increasing transparency level by each year is a major positive change in its views about military issues.

In addition, China has increased its participation in multilateral security cooperation with ASEAN, especially within the framework of ARF. In 1996, Beijing offered to co-chair with Manila the next ARF inter-sessional support group (ISG) meeting on Confidence-building measures, which was again hosted in China in 2003. Starting in 1997, China sent

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<sup>28</sup> Evan S. Medeiros and M. Taylor Fravel, “China’s New Diplomacy”, *Foreign Affairs*, Nov/Dec 2003, Internet version.

representatives to the ARF's meetings of the heads of Defense Colleges. China began contributing to the ARF's Annual Security Outlook in 2000, ultimately endorsed the ARF's Preventive Diplomacy Concept Paper, and submitted its own position paper describing the New Security Concept at the July 2002 ARF Summit. China has even demonstrated its proactive-ness in ARF processes by proposing the establishment of an ASEAN Security Policy Conference and hosted its first meeting in November 2004<sup>29</sup>. ARF therefore has become an important venue for Southeast Asia to "get to know"<sup>30</sup> about China being more confident, cooperative and more willing to work within multilateral institutions with ASEAN.

Also within the multilateral frameworks, China has shown its enthusiasm for engaging in joint exercises with ASEAN. In 2001 it proposed that ARF members report on and send observers to multilateral joint military exercises. Since 2002, China has attended the Cobra Gold, the joint military exercises conducted by the United States, Thailand and Singapore. China also invited ASEAN countries to observe its "Iron Fist 2004", a mechanized infantry divisional exercise<sup>31</sup>.

More appreciations by ASEAN are also accorded to China's recent steps in enhancing cooperation with ASEAN to combat non-traditional security threats, such as drug trafficking, terrorism, sea piracy, and transnational crime. Already ASEAN countries have experienced the impacts these non-traditional security issues, which are brought about by what is generally termed as globalization. While the 1997 Asian financial crisis brought home to ASEAN the issues of economic and financial security, the haze pollution erupted in 1996/97 made them realize about how serious an impact the trans-boundary pollution problems can cause on the regional environmental security. The 11/9 terrorist attack on America and the 2003 SARs were also the factors pushing ASEAN and also China to place

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<sup>29</sup> Michael Y. Glosny, "Heading toward a Win-Win Future?", pp. 39.

<sup>30</sup> Rosemary Foot, "China in the ASEAN Regional Forum: Organizational Processes and Domestic Modes of Thought", *Asian Survey*, Vol. XXXVIII, No. 5, May 1998, pp. 428.

<sup>31</sup> *Ibid.*, pp. 40.

more priority on fighting these non-traditional security issues. In this regard, China has demonstrated its eagerness to cooperate with ASEAN nations to resolve these problems. From 2001, China has joined with Myanmar, Laos, and Thailand to hold ministerial meetings on drug issues and carried out joint projects to crack down on illicit drug trade. A milestone in China-ASEAN cooperation in this area is the joint Declaration of ASEAN and China on Cooperation in the field of Non-Traditional Security Issues, signed in 2002. Besides, China has worked bilaterally with many ASEAN states, such as Myanmar, Vietnam, Thailand, in these issues. Though the matter of effectiveness of this cooperation still remains to be seen, China's goodwill must have been well-received by ASEAN leaders.

Although nothing can be said for sure about how much these efforts by China has helped to alleviate the China threat in terms of security in Southeast Asian perceptions, it is certainly a clear indication of China's goodwill in building good relations with Southeast Asian countries and has contributed to increasing trust in China by regional countries. Most ASEAN leaders are reportedly satisfied with these developments because China, as they see it, is now moving in the right direction as desired by Southeast Asia.

### **2.2.3.3. Enhancing economic cooperation**

As said earlier, Southeast Asian countries are more open in its concerns over the threat and challenges posed by a rising China in the economic field. At the same time, all Southeast Asian countries also consider economic development the top priority in their cause of national development. Thus it does really matter to China-ASEAN relations whether China takes steps to assuage the Southeast Asian perception of China as an economic threat and to offer economic opportunities to Southeast Asia.

The first and remarkable grade that China scored in its economic relations with ASEAN was possibly the offer of assistance and the promise not to devalue the *renminbi* when ASEAN fell into the 1997 financial crisis. As opposed to reluctant attitudes by the West, China quickly came with aid packages and low-interest loans to several countries in

the region. The image of China as a responsible player in the region's perception must have been improved significantly from this event.

Another major move highlighting China's care about Southeast Asian concerns over losing the trade competition with it is the China-initiated ASEAN-China Free Trade Area (ACFTA). ASEAN was reportedly surprised by Premier Zhu Rongji's proposal of an ACFTA during the ASEAN Plus Three Summit in 2000<sup>32</sup>. With the proposal, China was said to have "not only stolen the show at the summit" but also "begun to define an agenda of intra-Asian cooperation that assuaged the regional anxiety produced by the perceived collapse of the Asian miracle and that intimated future cooperation in political and security matters as well"<sup>33</sup>. In the following year, China succeeded in getting approval by all ASEAN states for the free trade agreement and at the ASEAN + 3 Summit in November 2002, the two sides signed a Framework Agreement on Comprehensive Economic Cooperation and an action plan, setting out the goals of free trade in goods between China and the six old ASEAN members by 2010 and the four new ASEAN members by 2015. Trade volume between China and ASEAN increased significantly in the atmosphere of this Framework Agreement. Only between 2001 and 2003, trade increased from \$45.6 billion to \$78.2 billion, with a trade surplus of \$16 billion, and reaching up to \$130 billion in 2005. In the same period between 2001 and 2003, Thai exports to China rose more than 87%, while imported Chinese goods grew by 53%; Chinese exports to Malaysia increased 90.7%, but Chinese imports from this country jumped by 125.6%<sup>34</sup>. Although complaints have been voiced about the "illusion" of the free trade agreement with China, the beneficial trade relations have helped reduce at least for a time ASEAN's concerns about the ability of their

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<sup>32</sup> Ibid., pp. 30.

<sup>33</sup> Hugu de Santis, "The Dragon and the Tigers: China and Asian Regionalism", *World Policy Journal*, Summer 2005, pp. 25.

<sup>34</sup> Robert G. Sutter, *China's Rise in Asia: Promises and Perils*, USA: Rowman & Littlefield Publishers, 2005, pp. 200; Tyler Marshall, "Southeast Asia's New Best Friend", *The China Post online*, July 03, 2006; and Hugu de Santis, "The Dragon and the Tigers", pp. 27.

local producers to compete with increasingly competitive Chinese producers for Asian and world markets.

Nonetheless, in the area of FDI, it is only in ASEAN's hope that a richer China would invest more in the region, as a Chinese scholar argues, "ASEAN will become the first choice of where to invest for Chinese companies". At the moment, China's ASEAN investment is still insignificant, but Chinese Premier Wen Jiabao announced in 2003 that his government would actively encourage greater FDI in ASEAN by Chinese companies, and that such investment was growing at an annual rate of 20% and in some countries by as much as 40%<sup>35</sup>.

In addition, China has begun to provide aid and development assistance to several countries in the region, especially those who run a trade deficit with it, possibly as a way to offset their anxieties. For example, in 2003 Vietnam, of which China is the second-largest trading partner, but which ran a trade deficit over \$1.5 billion with China, received a low-interest loan of \$126 million from Beijing. Likewise, Cambodia, which runs a \$243.67 million trade deficit with China got its debt of \$200 million canceled and received a low-interest loan of \$125 million in 2002. Myanmar and Indonesia have also received hundred-million-dollar aid packages<sup>36</sup>. China has also increased its economic interaction with Southeast Asia by taking part in the Greater Mekong Subregion Economic Cooperation Program, backed by the Asian Development Bank, to promote economic integration among CLMV countries, Thailand and China; and investing its money in building railways and roads connecting its southern part with the mainland Southeast Asia.

Other multilateral structures regarding economic issues have also been either proposed or approved by China, such as the Chiangmai Initiative, the Asian Monetary Fund, and the Boao Forum for Asia as an Asian version of the Davos World Economic Forum. Undoubtedly, in the realm of economics, China has gained significant influence in

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<sup>35</sup> Michael A. Glosny, "Heading toward a Win-Win Future?", pp. 32.

<sup>36</sup> Macabe Keliher, "Dragon Seizes Market Share", *Asia Times online*, Feb 10, 2004.

the regional, to the extent that “if the PRC were suddenly to flounder economically, its leadership image would surely suffer in Southeast Asia, especially if its difficulties, like those of Japan in the 1990s, became chronic.”<sup>37</sup>

#### **2.2.4. China’s diplomatic doctrine**

As the last words in the discussion of China’s foreign policy towards Southeast Asia, which is also the context in which China’s cultural diplomacy is conducted; some conclusions about China’s new diplomatic era should be made so as to obtain a clearer comprehension of China’s all-around diplomatic postures in the region.

In general, for the last decade, China’s foreign policy is said to have become more flexible, pragmatic and sophisticated. The greater economic strength has enabled China to build up a corps of diplomats who are more confident, skillful and knowledgeable. Importantly, the Chinese have reportedly abandoned their long-held victim mentality which resulted from their being under foreign humiliation for a century. Thus China has begun to expand its influence and reassert its place in the world.

In the relations with developing countries in general and in Southeast Asia in particular, several components of China’s diplomatic doctrine are pursued. First is the idea of “peaceful rise” that China is trying to sell, as mentioned above in this paper. Second is the portrayal of China as a model of socioeconomic development for developing countries. In this model, top-down control of development and poverty reduction are emphasized and economic reform is prioritized over political reform. Third is the enunciation of the win-win relations philosophy, which says China will not make demands on other nations’ sovereignty, economic models, governance, or political culture<sup>38</sup>.

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<sup>37</sup> Hugu de Santis, “The Dragon and the Tigers”, pp. 28.

<sup>38</sup> Joshua Kurlantzick, “China’s Charm Offensive in Southeast Asia”, *Current History*, September 2006, pp. 272.



### 2.2.5. China's increasing soft power in Southeast Asia

The new diplomatic postures of China towards Southeast Asian countries have had China see its soft power being increased substantially all over the region. This is obviously an advantage that China, in turn, can capitalize on in its relations with the regional countries in all the fields of politics, economics and culture.

It is widely acknowledged that China's soft power, particularly in Southeast Asia has been increasingly and evidently consolidated. Chinese influence in terms of politics and economics has been significantly improved, as discussed in 2.3. In the field of culture, Chinese culture has long been appreciated thanks to its long history and uniqueness. As Bate Gills and Yanzhong Huang put it, "for more than 3,000 years, the splendors of China drew a continuous stream of traders, emissaries, scholars and holy men in quest of riches, power, guidance and inspiration. The Tang Dynasty (618-906 AD) saw the spread of Chinese civilization to neighboring countries, including Korea, Japan and Vietnam. In the fifteenth century, Admiral Zheng He's voyages demonstrated the power of the Chinese civilization and established important liaisons between China and other nations. China's status as traditional central power created abundant reserves for soft power for contemporary use."<sup>39</sup> In a poll in 1999 conducted in the US, Japan, South Korea and capital cities of China, Malaysia, India, Thailand and Indonesia, China was regarded as a nation with a unique culture<sup>40</sup>. Chinese cultural influence can also be now observed almost every where in Southeast Asian region. According to Eric Teo Chu Cheow,

"Chinese culture, cuisine, calligraphy, cinema, curios, art, acupuncture, herbal medicine, and fashion fads have all emerged in regional culture. Fascination for popular Chinese culture among ASEAN youth in films, pop music, and television has been noticeable, even though such popular culture may in fact have emanated from

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<sup>39</sup> Bate Gills and Yanzhong Huang, "Sources and Limits of Chinese Soft Power", *Survival* Vol. 48, No.2, Summer 2006, pp. 1-2.

<sup>40</sup> Lai Hongyi, "China's Cultural Diplomacy: Going for Soft Power", Research paper at the East Asian Institute, National University of Singapore, October 2006, pp. 5.

Hong Kong (its films, actors, actresses and “Canton-pop”) or Taiwan (like Meteor Garden television series, or boy-bands, F4 or 5566), and not necessarily from China. Joint ‘Chinese’ film production, such as ‘Hero’ or ‘Crouching Tiger, Hidden Dragon’ (thereby pooling together the best acting talents from China, Taiwan and Hong Kong) have hit international box offices and given popular Chinese culture a big boost. Chinese cinema idols, like Zhang Yimou and Gong Li, are beginning to command a following. Furthermore, mainland Chinese consumer brand-names (like Hai-er, TCL or Huawei) have spread and become popular in ASEAN societies”<sup>41</sup>.

In addition, the Chinese language and Chinese studies have gained high popularity in the region, while Chinese government provides support to promote the teaching and studying of Chinese language. The attractiveness of China’s rise, along with encouragement policies of the Chinese government, has drawn increasing number of Southeast Asian students, tourists as well as Southeast Asian “overseas” Chinese to the country. A “China fever” has begun to take shape, replacing the China fear several countries in the region, according to Wang Gungwu, the director of the East Asian Institute at National University in Singapore<sup>42</sup>.

#### **2.2.6. China’s cultural deficit**

Regarding its cultural ‘soft power’, many would agree that China possesses great cultural resources. However, recently many concerns have been voiced in China about a ‘cultural deficit’ that the country is now facing. Though no monetary figures have been quoted for the unfavorable balance of trade in China’s cultural sector, many sources in

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<sup>41</sup> Eric Teo Chu Cheow, “China’s Rising Soft Power in Southeast Asia”, PacNet number 19A, Honolulu, Hawaii, 2004.

<sup>42</sup> Quoted in Jane Perlez, “Chinese Move to Eclipse US Appeal in Southeast Asia”, New York Times, November 18, 2004, Internet version.

China agree that the deficit is huge\*. It is in contrast to the country's long history and richness of culture on the one hand, and the currently rapid economic growth and a huge trade surplus on the other hand. The reason is that China is not strong in marketing its cultural products, as admitted by Zhang Xinjian, deputy director of Culture Market Department of the MOC<sup>43</sup>. Its entertainment industries are no match for the United States' Hollywood. As an example, 4,322 foreign films, mostly from the US were imported into China from 2000 to 2004, while few were exported during the same period. In the year 2005, China imported 1,970 movies, while it produced only 260, according to Zhao Shi, vice-minister of the State Administration of Radio, Film and Television. The revenue from book trading for China is only one percent that of the US and Europe, while it is estimated that the number of books imported to China was 10 times more than exports, and as Antoaneta Bezlova claims, China lacks such successful stories as Harry Porter and the Da Vinci Code, "which would transform it into a cultural heavyweight producing works of universal appeal"<sup>44</sup>. In Asia, China also has a lot to do before it can rival two strong competitors which are South Korea and Japan as pop-culture setters and major cultural players in the region. At present, whereas the cultural industries of Japan and South Korea alone account for 13% of the international cultural market, China and all other countries in Asia make up only approximately 6%<sup>45</sup>. Moreover, its universities are far from the equal of America's, and it has failed to build up any of its national specialties like the panda bear or the Great Wall into a powerful global symbol. Although "made in China" products appears to be everywhere, few Chinese companies, cultural icons and brand names have the

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\* The issue of 'cultural deficit' has recently received a lot of coverage by mass media in China. To name some articles, the China Daily ran the title "'Cultural Deficit' Cause for Concern" in March 2006, "China Faces 'Huge' Cultural Trade Deficit" in April 2006, and "Cultural Deficit is Widening" in September 2006.

<sup>43</sup> Xinhua, "China's Cultural Trade Deficit on Rise", available at [http://english.people.com.cn/200504/15/eng20050415\\_181119.html](http://english.people.com.cn/200504/15/eng20050415_181119.html); updated on April 15, 2005

<sup>44</sup> Antoaneta Bezlova, "China's New Cultural Revolution", [Asia Times Online](http://www.asiatimesonline.com) 29 July 2006; and China Daily, "Cultural 'Deficit' is Widening", available at [http://english.people.com.cn/200609/15/eng20060915\\_303044.html](http://english.people.com.cn/200609/15/eng20060915_303044.html); updated on September 15, 2006.

<sup>45</sup> Ibid.

popularity of America's Microsoft, MTV, Mickey Mouse or Big Macs. The Chinese language is also far from popular as English, which is so far still the language of international communication, of science and technology, law and medicine. According to one survey, only 4% of global information resources are carried in Chinese, despite the fact that China makes up one-fifth of the world population<sup>46</sup>.

However, leaders of the world's fourth largest economy are well aware of the problem and recognize that in order to build up their country to a truly power, efforts must be made to promote the cultural sector. As Zhao Qizheng, a member of the Chinese People's Political Consultative Conference (CPPCC), and former minister of the State Information Office stated, China should "fully understand the significance of culture as a foundation and pillar for a nation's fate. Rejuvenation of a nation should start from a renaissance of its culture."<sup>47</sup> An editorial in the People's Daily, the Communist Party's flagship, also noted that "to go global, China must perfect its cultural policy and rebuild the image of Chinese culture", since for the time being, "a 'China wind' has still not stirred up much dust" in foreign countries as far as cultural products are concerned<sup>48</sup>. In this context, it is understandable that China has introduced quite a few initiatives and actively conducted many activities in order to introduce its culture and language to the world. The cultural diplomacy that it has implemented in Southeast Asia, therefore, is also aimed at promoting China's cultural image in the region and contributing to the reduction of the cultural deficit of the country.

### **2.3. Thailand and Vietnam as a case study**

In mainland Southeast Asia in particular, China's cultural diplomacy is presumably even more active, as for Beijing, it is closer to home. With close geographic proximity to

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<sup>46</sup> Quoted in Bate Gills and Yanzhong Huang, "Sources and Limits", pp. 27.

<sup>47</sup> China Daily, "'Cultural Deficit' Cause for Concern", available at <http://www.china.org.cn/english/2006lh/160936.htm>; updated on March 10, 2006.

<sup>48</sup> Quoted in Antoaneta Bezlova, "China's New Cultural Revolution".

China, these countries historically have had close interactions with China, especially with its southern parts. This part of Southeast Asia also serves as a southern gateway for China to reach the rest of the region, as well as to other parts of the world. While the mainland Southeast Asian countries need economic opportunities offered by China's rise so as to develop their domestic economies, which are now mostly still at low level of development, they have either historically maintained good relations with other great powers (Thailand, Cambodia with the US, Vietnam with Soviet Union, for example) or been recently approached by other great powers (Burma by India, Vietnam by the US, Japan). Therefore, it is for Beijing's benefits to keep these countries in its sphere of influence by all means of political, economic and cultural diplomacy.

For the purpose of this study, Thailand and Vietnam are selected. It is because Thailand and Vietnam are both big and important countries in mainland Southeast Asia, thus supposed to be main targets of China's cultural diplomacy. However, though both countries now maintain good relations with China, their historical and social backgrounds vis-à-vis China are different. Therefore, the selection of these two countries is useful in that the effectiveness of Chinese cultural diplomacy is to be investigated in different settings within mainland Southeast Asia.