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**“Evolution of China’s diplomacy in the last 25 years, with an emphasis on
Sino-Latin American relations”**

**1. Overview of the international order and China’s diplomacy since the
1990s**

The international order is built upon the rules of the game for international relations. If such norms are complied with, the world develops in an orderly manner. The Cold War ended in a rather peaceful way and the rebuilding of the international order after the Cold War has been gradual. The emerging international order is characterized by the preeminence of one power and the surfacing of several major powers, the preponderance of economic globalization, the continuity of sovereign states as the basic subjects -which coexist with a growing number of non-state actors-, and a highly dynamic and turbulent world scenario wherein international relations unfold.

Within this framework, the PRC implemented, in the early 1990s, “good neighbor diplomacy” (*mulin wajijiao*), aimed at breaking out of the diplomatic isolation imposed by major Western powers. The subsequent expansion of the Chinese economy at an annual average of 10 percent and its resulting demand for energy and raw materials gave birth to a corollary of the good neighbor diplomacy. Since the mid-1990s, the PRC added “energy diplomacy” (*nengyuan wajijiao*) to her foreign policy effort, which encompassed the search for natural resources in South East Asia, Central Asia, the Middle East, Africa and Latin America.

A few years later, another adjustment took place: the PRC foreign policy included “great power diplomacy” (*daguo wajijiao*), refocusing on relations with big powers, as a consequence of the PRC’s (a) growing economic power, (b) improvement of ties with its periphery, and (c) increasing self-confidence.

Also, it should be noted that seeking raw materials and looking for leverage with big powers were not the only aims of China’s diplomatic efforts in the early 2000s. Beijing also sought to exercise “soft power” through its major media groups, namely Xinhua, CCTV, CRI and China Daily, which expanded their overseas services. This thrust towards building an image of a responsible player in the world arena was strengthened by establishing Confucius Institutes all over the globe.

As a result of her increasing integration into the international economic system, China became a member of the WTO in 2001. Accordingly, the PRC launched

the “Go Out strategy” (*zouchuqu zhanlüe*). Backed by a huge foreign exchange reserve, Chinese companies deepened their investment abroad, including the purchase of foreign assets.

It should be emphasized that, as a supplement to diplomacy monopolized by the government, public diplomacy (*gonggong waijiao*) significantly developed between China and other nations. Its tools comprised, as was seen in the exercise of soft power and the “Go Out strategy”, people-to-people contacts such as cultural and educational exchanges, and business links.

Consequently, the above-mentioned strategy and four practices of diplomacy were incremental practices that took place according to the needs of China and dynamics of the international scenario. The result was a multilayered foreign policy that was functional to China’s major policy objective of “revitalizing the Chinese nation” (*zhenxing Zhonghua*). This adaptation to circumstances did not result in any changes to the essentials of Chinese foreign policy. However, since the mid-2000s, a qualitative change seems to have taken place.

2. From incremental to qualitative changes in diplomacy: the mid-2000s onwards

Despite the fact that the late paramount leader Deng Xiaoping suggested the PRC “should keep a low profile and never take the lead in international affairs, focusing instead on domestic growth”, after thirty years of successful economic reform in China and the development of a new international setting, Beijing is gradually embracing a qualitative foreign policy change.

Due to its increasing political and economic might, the PRC has become more active in international affairs. Thus, Chinese diplomacy has swiftly moved from being “responsive” (*fanying shi waijiao*) to “proactive” (*zhudong shi waijiao*).

Examples of the beginning of this foreign policy shift are the realisation of joint military exercises (along with energy cooperation) by the Shanghai Cooperation Organization members in 2002, and the initiation of the Six-Party Talks over North Korea’s nuclear program in 2003. Later, in 2006, can be cited the appointment of a special envoy to Sudan to broker a peace deal between Khartoum and the rebel groups.

In that same year, China was host of the SCO summit, the China-ASEAN summit, the China-Africa Forum and a multilateral energy conference. Other landmarks are the first ever visit of the PLA Navy to Japan in 2007, the unprecedented participation in an anti-piracy mission off the Somali coast in 2008, as well as the launching by Xinhua of a CNN-like news network to broadcast around the clock.

China's rapid economic development has led to larger national defense capabilities. Over recent years, the PRC national defense has been characterized by compound development of informatization and mechanization. This has strengthened the PLA's operations capability, which in turn has caused great concern amongst its neighbors.

In the last five years, a series of incidents have occurred between China and both Southeast Asian nations and Japan, because of sovereignty claims in the South China Sea and the Senkaku/Diaoyutai islands. This geographic area is part of China's periphery and contains the main shipping routes for the PRC's energy, raw materials and foodstuff imports from the Middle East, Africa and Latin America. Also, the zone is considered to possess gas and oil reserves.

The overlapping of sovereignty claims between China and several of her neighbors in this area has resulted in naval stand-offs, demonstrations, strong official pronouncements, etc., from every actor involved.

This more unyielding foreign policy seemingly raises doubts about the term coined in 2004 to address China's foreign-policy approach in the early 21st century: "peaceful development" (*heping fazhan*). According to Prof. Shi Yinhong from Renmin University of China in Beijing, the PRC peaceful development is "all about soft power"¹. In view of this, it seems that the concept of "soft power" has expanded to include not only cultural, but also diplomatic, economic and military power.

Moreover, these unfavorable new developments in China's relations with her neighbors give ground to the long-held arguments of a "China threat". Such arguments are mainly about how the PRC's speedy economic development could lead to a greater military strength, which in turn will make China disposed to achieving her national goals through the use of military force.

Given that the primary dynamic behind the conception of peaceful development and a harmonious world is the PRC's need for a peaceful and stable international scenario for achieving economic development, the present regional situation is leading China and her neighbors to impair the building of a much-needed stable surrounding environment.

To conclude, there are two dialectical relations, one between peace and development and another between China and the world: as to the first one, the two elements work as both the end and the means of the other. On the basis of historical experience in contemporary times, China needs to accomplish her own development on the one hand and to promote common development of the whole world on the other hand, a peaceful international environment being

¹ Shi Yinhong (2007).

crucial for both China's development and common development of all other nations.

With respect to the dialectical relation between China and the world, mutual development leads to further development on both sides. China's stability and development cannot be achieved without the world's peace and development, and vice versa.

Now, we turn to the analysis of Sino-Latin American relations, in order to assess the effects of China's new diplomacy in the Western Hemisphere.

3. The Outlook of Sino-Latin American Relations

China and Latin America share a great deal of common ground: they both suffered and struggled against colonialism and imperialism in the nineteenth century. The two actors have developing economies, belong to the South and long for a more rational and just international order. Therefore, cooperation between the two is the outcome of historical experience and the need to achieve economic growth, which does not pose a threat to any actor.

The PRC normalized diplomatic ties with most countries in the subcontinent in the 1970s and 1980s. During the 1990s there was an upsurge in bilateral ties, due to frequent interchange of high-level visits, mutual support in national causes and international affairs, growing trade and investment, cooperation in science and technology, educational and cultural exchanges, etc.

With respect to contacts at the highest level between the two sides, since the early 1990s every top Chinese leader has visited all Latin American and Caribbean countries, while most LAC leaders have visited the PRC. Both China and LAC nations share the need to build a new political and economic international order, and there is agreement on some national causes such as Argentina's sovereignty claim over the Malvinas Islands.

China's swift economic growth has caused an intensification of her demand for energy, raw materials and foodstuffs, leading her to look to Latin America as a source of key commodities. Trade between the two sides soared from US\$ 3 billion in 1990 to US\$ 260 billion in 2013. The PRC is now the largest trading partner of Brazil, Argentina, Chile and Peru. Up to now, China has signed FTAs with three countries in the region: Chile, Peru and Costa Rica. In addition, the PRC finds LAC an increasingly attractive export market for manufactured goods.

The PRC also contributes to fulfilling UN goals in the subcontinent, through the deployment of a peacekeeping contingent to Haiti in 2004, which constituted the first Chinese involvement to UN missions in the Western Hemisphere. As to

participation in regional economic fora, the PRC has been an observer of the Inter-American Development Bank since 1991 and the Latin American Integration Association since 1993, while she became an observer of the UN Economic Commission for Latin America and the Caribbean in 2004. Mechanisms of political dialogue were also established with the Rio Group (1990), Mercosur (1997), the Community of Andean Nations (2000) and the Caribbean Community (2002).

Beijing is promoting tourism in the LAC countries: during President Hu Jintao's visit to the region in November 2004, Argentina, Brazil and Chile were added to the PRC's list of Approved Destination Status. Thus, large groups of Chinese tourists travel to these countries and others in the subcontinent without restriction.

In November 2008, the PRC published her first White Paper on relations with Latin America and the Caribbean, demonstrating the importance of the subcontinent to China's diplomacy. Furthermore, China and Brazil are part of the BRICS, a grouping that brings together the most dynamic emerging markets. During the 2008-2009 financial crises, several foreign companies withdrew their projects abroad, but this was not the case for China. Beijing encourages Chinese companies to invest in energy, agriculture, mineral resources, forestry, fishing, manufacturing, infrastructure and service sectors (i.e. finance). In 2013, the PRC was the third foreign investor in LAC (totaling 10% of the final amount), after the United States (16%) and the Netherlands (12%).

As to financial cooperation, the central banks of both China and Argentina agreed in 2009 to set up a currency swap system for an equivalent of US\$ 10 billion, which would enable trade between the two countries to be conducted in Renminbi. Until that date, the PRC had signed similar agreements with Belarus, Hong Kong, Indonesia, Malaysia and South Korea.

Regarding the overall economic relationship between China and LAC, the region as a whole accounted for less than 5% of China's exports and supplied just over 5% of her imports in the early 2010s. Meanwhile, over the same period, the US still accounted for almost half of all trade conducted by the subcontinent. As to investment, China's total assets were less than one tenth of US investment in the region at the same time, which amounted to US\$ 400 billion.

It should be noted that cross-Taiwan Strait relations have improved since 2008, due to the reversal, by Ma Yingjiu, of many of his predecessor's policies towards the PRC. Consequently, a "diplomatic truce" was announced with Beijing in mid-2009, paving the way for a pause in the race for recognition, which in turn facilitates China's improvement of relations with every LAC country.

In 2013, the First China-LAC Ministries of Agriculture Summit took place in Beijing, which indicates the role of the region as a food supplier. This year, within the framework of the Community of Latin American and Caribbean States (its acronym in Spanish being “CELAC”), the China-CELAC Forum was established, a clever way to enable direct dialogue with every LAC country, overcoming the lack of official communication with the 12 countries in the region that still recognize Taipei.

Bilateral cooperation in science and technology includes the PRC’s help to develop space programs: by 2012, joint satellite technology work was successfully conducted with Brazil, Venezuela and Bolivia. As to educational and cultural exchanges, by mid-2012 a total of 33 Confucius Institutes had been established in 11 LAC countries, which offer 5,000 scholarships to local students for the period 2013-2017.

The PRC also supports exchanges at the local government level with LAC nations, for instance the signing of sister cities/provinces agreements between China and countries in the region. By 2013, approximately 200 pairs of sister city/province relationships had been established.

As Chinese presence in the subcontinent is expanding in a multidirectional way, the US is watching closely the pursuits of this extra-regional power. However, it should be noted that Washington, because of her focus on the Middle East and Central Asia since the early 1990s, has not paid much attention to LAC. Therefore, extra-regional powers such as China, India, Russia and Iran have found a way to make inroads into the backyard of the US.

4. Some final reflections

China requires an international scenario that is peaceful and contributes to unrelenting economic growth and stability at home. To this end, her diplomacy has been essentially directed at obtaining raw materials, searching for new markets for Chinese products, boosting the PRC’s image as a peaceful player in international affairs, and isolating Taiwan internationally.

Moreover, the PRC is trying to grow peacefully, unlike past rising powers that leaned towards the disruption of the international system. Thus, during the last twenty-five years, Chinese diplomacy has been largely constructive, presenting more opportunities than threats to both the dominant powers and the developing world.

The question is how can a rising power keep developing peacefully? Will China’s rise inexorably cause a conflict with the preeminent power and her allies? Are the foreign policy objectives of “achieving peaceful development”,

“building a harmonious world” and “being a responsible stakeholder” firmly rooted in the Chinese leadership?

If we look at international events that have taken place during the last five years, the proactivity of Chinese foreign policy has implied a more assertive and confrontational approach to relations with Japan, the Philippines and Vietnam. Therefore, despite repeated assurances from the PRC’s leaders that China will develop peaceably, these events suggest that her international behavior is somehow becoming detrimental to –at least- regional stability.

Perhaps Constructivism, one of the major IR theories, best explains China’s current foreign policy and the problems related thereto. Accordingly, for China, “peaceful development” is a newly constructed concept which refers to the PRC’s willingness to walk a different path: instead of causing conflict as a result of her rise and associated power transition, China is keen to become a new global power and preserve international peace and security.

In the case of Sino-Latin American relations, the subcontinent has huge potential as a major source of energy, raw materials and foodstuffs. In the region there is concern as to whether China (1) is becoming a force opposing industrialization, (2) imposes the re-primarization of Latin American economies as Great Britain did in the nineteenth century, (3) is a reason for friction in relations with the US, and (4) will still invest in the subcontinent if she needs to redirect financial resources for domestic economic growth.

The development of more trade, investment and technology transfers with Latin America is certainly welcome, in the light of the gradual retreat of traditional partners such as the US, Western Europe and Japan. Also, having lifted more than 400 million people out of poverty, China is a growth model for several developing countries. In addition, the PRC promotes economic cooperation with LAC countries, all the while separating politics from business, while the West tends to impose conditions related to the embracement of democracy, transparency, market economy and environmental concerns².

With regards Washington’s concerns about China’s initiatives in the subcontinent, there is no room for confrontation between Washington and Beijing, given (1) the PRC does not seem to seek to replace the US as the global power, and (2) LAC’s long-standing ties, deeper political and economic links, and cultural closeness to the US.

All in all, China apparently is not interested merely in LAC resources; she aims to establish a long-term strategic relationship based on a common view of the international system, diplomatic support, commercial exchanges, trade, investment, finance, culture and scientific cooperation.

² The only political condition imposed by the PRC is the one-China policy.

To Latin America and the Caribbean, the growing role of China in the region implies (1) having a counterweight to the US, (2) gaining a new partner to diversify their international economic relations, and (3) materializing South-South cooperation.

In order to advance the development of Sino-Latin American relations, and taking into account the centrality of the economic dimension of the interaction, the PRC should improve her commitment in qualitative terms: if China becomes a more dynamic provider of technology, LAC will be able to add more value to her manufacturing sector, quashing the claim that the PRC is playing the role Britain held in the nineteenth century.

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