

South Asia: A crucible of China's 'hard' and 'soft' power politics

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Abstract

China's economic and military ascendancy has coincided with its increasing use of 'soft power status'. The 'Four Modernisations' of 1979, collapse of the Soviet Union, rise of technocrat professionals in Chinese government have contributed to China's eminence. Its first generation ideology projected the state as a revolutionary power. But post-Mao there has been an emphasis on peaceful rise, economic co-operation and to stabilise its position in a multi-polar world. It has developed an export oriented economy with a sound manufacturing base. 55% of the GDP comes from manufacturing products. 28% of the budget is spent on research and development. Since 1950s it has built deterrent capacities and focussed on missile development and export of arms to the third world. China has become one of the largest bilateral donors in South Asia. Culture, triangular diplomacy, foreign aid are the techniques employed by China as a soft power. It is actively involved in regional organisations in South Asia. However safeguarding maritime and territorial interests are the key drivers of Chinese policy in South Asia. China expects the South Asian states to recognise its 'One-China' policy and support it in UNO. To counter its hard power, South Asian states are engaging with other partners such as USA, Japan, India.

KEYWORDS: economic co-operation; hard power; soft power; territorial disputes.

INTRODUCTION

After the demise of the cold war the world witnessed the unipolar moment of the US. A new world order was soon replaced by the 'new world to order' under the US hegemony. The present situation is a transition to a non-polar. Richard Haas defines a non-polar international system characterized by numerous centres of meaningful power. The strategists in China took a realistic view of the world that US unipolar moment will continue and later international power structure would resemble what Chinese call as 'one power and many great powers' rather than multipolarity (Rasgotra, 2012). The Asia Pacific will emerge as the new theater of race for global supremacy with the resurgence of China as the major competitor to the US. The policy makers in China have developed the concept of CNP – Comprehensive National Power, comprising of Hard Power, Soft Power & Co-ordinating Power. Hard Power (economy, science & technology, defence, natural resources) H, Soft Power (political power, diplomacy, cultural & educational power) S, Co-ordinating Power (political structures, govt. leadership, decision making, reform co-ordination) K (Sarmah, 2013). China has successfully employed both hard and soft power to gain ascendancy vis-à-vis the major powers.

HARD POWER

Hard power manifested through defence, economy, science and technology has been harnessed in the post Mao period. In 1976 Deng Xiaoping emerged as the leader of China till his death in 1997. The Deng era was marked by sweeping changes as expressed in four modernizations covering agriculture, industry, science, defence. A pragmatic approach was adopted. It implied increased role of experts in development and subordination of ideology. No longer was China clinging to its ideological baggage. Economic well-being was valued much more than ideological purity. There was a decline of ideology in daily life, the political apparatus and even the communist party. Ideology though vital for ruling class to claim legitimacy lost its relevance from daily life of the common man. 'Communism', 'Peoples war' as salient ideological features were relegated to the background. The 'economics of command' started playing a dominant role. China under Deng ended its policy of supporting communist revolution abroad. A shrewd policy of non- interference in the internal affairs of other states was adopted. The emphasis was on luring the diaspora to invest in China. China was naturally attracted towards the East Asian Tigers. Thailand Malaysia Singapore became more important to China. The 1997 Asian crisis bolstered China's image as a regional power. The US and IMF failed to rescue the South East Asian nations. But China did not sell in the sub- prime crisis rather bought more.

The social status of Chinese intellectuals improved as they were no more derided as the ninth stinking class. Deng recognised them as integral part of the working class. They were not expected to be ideologues but contributors to economic development. Deng introduced retirement age of 75 for those in political authority. There has been steady transformation of CPC from being a revolutionary elite oriented party to techno oriented elite committed to modernizing China. The Hydro engineers inducted into the government brought engineering style to governance. International Hydropona Associations website states that half of 24000 large dams are located in China. The Chinese government which was under the shadow of the party began to move away from it. Promotion of leaders has been institutionalized by reserving their criteria & qualifications. Corporate pluralisation has made consultation with a lot of official bodies necessary before decisions are reached.

Since 1978 there is marked improvement in the treatment of national minorities. The 1982 constitution targets both Han and minority chauvinism. Article 4 reads "all nationalities in the PRC are equal. The state protects the lawful rights and interests of the minority nationalities and upholds and develops the relationship of equality and unity and mutual assistance". Political reforms in China commensurate with the unprecedented economic reforms.

The hukou system in China tied benefits like health care and pensions to a person's place of birth. The bottomline was that farmers could be engaged on farms producing food for factory workers. The factory workers were to be paid less but were to be compensated by the 'iron rice bowl' of benefits such as free education, health care, subsidized food and pensions. But the system prevented 200 million migrant workers from fully participating in the labour market. Without access to health care, pension, education for their children in their host city, migrants had to return to their hometowns to raise a family. As a result 20% of China's total population lived as second class citizens in their adopted cities. The economic reforms dismantled the rural commune system and replaced it with a household responsibility system. The

'iron rice bowl' of the Chinese socialist system ended. State Owned Enterprises were given autonomy in determining wages with incentives like bonuses and overtime thrown in, implemented through a labour contract system (Pant,2012). They were allowed to be converted into joint stock companies with workers acquiring shares and becoming shareholders (Pant,2012). A system of unemployment insurance and social security were introduced. Private including foreign investment was encouraged. Deng gave economic freedom to farmers in agricultural production. Rural households were granted autonomous decision making rights by allowing collective and shareholder based co-operative enterprises. Communal ownership was to be modified in agriculture and peasants were to be encouraged to produce for profit and enhance productivity. Agriculture was diversified. The loosening of the hukou system allowed rural workers to work in urban enterprises. Entrepreneurship was encouraged in rural China. Villager's Committees were formed in 1988 through Organic Law. Grassroots elections were introduced to be conducted every three years. The net effect has been the quadrupling of the Chinese economy since the market reforms of 1990. It has accumulated massive foreign reserves worth more than \$ 1 trillion at the end of 2008. In 2008 China overtook Germany and became second largest economy of the world and in 2010 it surpassed Japan (Pavithran, 2013). Real GDP increased at an average annual rate of over 10% between 1978-2008. The manufacturing and export sectors have become the mainstays of the economy with 55% of GDP coming from manufactured products and 34% of China's GDP coming from exports. China has captured the world market in toys, small electronic goods, textiles. China has foreign exchange reserves up to US\$ 2.3 billion.

Table 1.1 Foreign investment in China , January-September 2002

	Amount contracted (US \$ millions)	Percentage of the total
Hong Kong	20,950.1	30.0
Virgin Islands	10,187.5	14.6
United States	7332.1	10.5
Taiwan	5716.0	8.2
Japan	4555.6	6.5
South Korea	4035.4	5.8
Singapore	2612.4	3.7
Cayman Islands	1779.5	2.5
United Kingdom	879.2	1.3
Germany	690.8	1.0

Source:US-China Business Council, "Foreign Investment in China,"www.uschina.org/statistics/2003_foreign_investment.html

Table 1.1 indicates that with Hong Kong falling under the category of 'one country, two systems' next to Virgin Islands, the US foreign investment in China has shown remarkable growth. In South Asia Taiwan, Japan, South Korea are important trading partners and sources of investment for China.

Acutely aware that its energy use has increased by over 200%, China wants to secure its energy resources. According to IEA research almost half of the global oil demand

in next five years will come from China. IEA's World Energy Outlook shows China importing 79% of oil it consumes by 2030(Pavithran,2013). China's high energy demand has made it invest in exploration and projects overseas enter into supply contracts with Angola, Australia, Iran, Sudan, and Venezuela. 90% of China's foreign trade is sea borne (Sakhuja,2001). By 2020 China is expected to import 7.3 million barrels of crude a day. China wants to secure its energy resources. Its energy use has increased by over 200%.

TRADE AND COMMERCE

China's investments in Africa have surged ahead with no strings attached. China provides financial and military aid to unstable countries with no conditionalities of human rights. During 2005 Chinese companies invested a total of \$ 175 million in African countries primarily on oil exploration projects and infrastructure. In 2005 China bought 50% of Sudan's oil exports. Sub Saharan Africa accounts for 28% of China's total oil imports. Angola is the largest exporter of oil to China. China is the largest importer of copper in the world. It has turned to Cameroon, Congo, Equatorial Guinea, Gabon, and Liberia for timber. Chinese cotton imports from Benin Togo Mali Cameroon Burkina Faso have boomed. China is investing in agriculture and fisheries in Africa to import foodstuffs. It has inked joint ventures in fish processing with Sierra Leone, Gabon, and Namibia. It has leased agricultural land in Zambia, Tanzania, and Zimbabwe. In 2008 it signed a long term infrastructure development agreement with Democratic Republic of Congo worth over \$9 billion and acquired copper and cobalt mining rights. Niger a major source of uranium is roped in by China. EU is China's largest trading partner with bilateral trade to the tune of 326 billion Euros. EU is not averse to the PRC leadership. After Deng's historic visit to USA economic engagement became more pronounced. Each side has become the other's largest trading partner. In 1979 the total bilateral trade was US \$ 2.5 billion. In 2008 it surpassed US \$ 400 billion. By 2008 US investment in China had reached \$ 59.4 billion and set up 56462 enterprises.

MILITARY

Though primarily an agricultural country, Beijing first focussed to become self-reliant in defence. Since 1950s it has emphasized on building deterrent capacities, missile development, and arms export. China spends \$ 119 billion on military expenses roughly 7% of entire world's expenses. A substantial 28% of the defence budget spent on R& D has enabled the modernization of its armed forces and military industrial complex. The economic harvest was reinvested in modernization of military and boosted the states confidence level. In Mao's time the emphasis was on 'Peoples war'. But under Deng that shifted to 'people's war in modern conditions' and since 1990 was replaced with the doctrine of " limited war under high technology conditions". In 1978 China developed its first ICBM of 12000 km range Dong Feng 5. In 2005 the main elements of its nuclear forces were 46 intercontinental ballistic missiles, one Xia class submarine armed with 12 submarine launched ballistic missiles and 725 short range ballistic missiles (Mc Dougall,2008)

Table 1.2 Military expenditure percentage of GDP

	Military expenditure percentage of GDP
China	4.3%
South Korea	2.7%
Taiwan	2.73%
Indonesia	3%
Srilanka	2.6%
India	2.5%
Vietnam	2.5%
Myanmar	2.1%
Thailand	1.8%
Nepal	1.6%
Bangladesh	1.3%
Bhutan	1%
Philippines	.9%

Source: CIA World Fact Book Jan 1, 2012

Table 1.2 indicates China's preponderance as a military power in South Asia.

SOFT POWER

The theory of soft power was propounded by Joseph Nye and pre-empts the use of coercive force. It relates more with culture, ideology, commercial brands, popular cultural icons. To balance its rising power, to ensure domestic stability & improve relations with other countries China developed soft power. Scholars like Yan Xuefong, Xu Jin, Su Changhe, Guo Shuyou of Neo-realist's school have identified three components of soft power viz. international attractiveness (national development model & culture), International mobilization (global influence & strategic relations), domestic mobilization of popular & elite support to govt.) (Sarmah, 2012). Music, dance, cuisine, embroidery, acupuncture, herbal medicines, martial arts, fengshui, Buddhism are important assets of China's traditional culture. Confucius institutes have been set up in Seoul to spread Chinese language and culture. The strategy of actively spreading Chinese language teaching around the world began in 2006. Beijing Foreign Studies University (BFSU) has joined with 17 foreign universities to set up overseas Confucius Institutes in 14 countries since 2005, aiming at promoting

international cooperation. Acrobatic art became a means new China used to promote cultural exchanges with other countries. Acrobats, China's envoys of peace and friendship, have travelled around the world performing in more than 100 countries over the past 40 years and have been favourably received in numerous countries without diplomatic ties with China. Chinese kids and teenagers from Cathay Future Children Art Troupe have been helping spread Chinese culture to 100 countries through art and do charity in disadvantaged areas. There has been a strong interest in learning Chinese in recent years. The Confucius Institute which is a non-profit social welfare institution aims at expanding the teaching of the Chinese language and introducing Chinese arts, music, philosophy to local society. Besides teaching the language, one of the most important missions of Confucius Institutes is to spread Chinese culture through the organization of events of Chinese music, theatre, movies, folklore, martial arts, medicine and philosophy.. Confucius Institutes in each country or region seek to train Chinese immigrants or Chinese descendants. Chinese cuisine has pampered the taste buds of large number of urbanities worldwide. It has become a part of festivals and celebrations.Chinas first efforts at soft power regionalism started with ASEAN Post Ministerial Conference in July 1991 as a consultative partner. On South China Sea dispute China and ASEAN signed the Declaration on the Conduct of Parties in South China Sea adopted on November 4, 2002 in Phnom Penh.

MDG

The authoritarian regime has taken major steps to implement the Millennium Development Goals.MDG's achieved by China are as follows:

Goal 1: Eradicate extreme poverty and hunger

China is the first developing country to achieve the MDG poverty reduction target before the proposed deadline China has nationally implemented a minimum living standard allowances system in rural areas from 2007. Since then the number of people in absolute rural poverty has fallen from 250 million in 1978 to 14.79 million in 2007. According to the MDG Report of 2008, as for youth aged 15 to 24, employment to-population ratios have decreased sharply from 72.7 % in 1990 to 64.5 % in 2006. This confirms that the educational opportunities in China have expanded commendably. As per the statistics of MDG Report 2008, the prevalence of underweight among children under five declined from 19.1 % in 1990 to 6.9 % in 2005, bringing about a decrease of 64 percent .

Lacunae: China still has a large number of poor people. Based on the current official poverty line, by the end of 2007, there were still 14.79 million people classified as "absolute poor," along with 28.41 million low-income earners in rural China. This amounts to 43.2 million people, or 4.6 % of the rural population. Poverty is still deep. Many of the poor have weak capacities and limited conditions for development, often living in remote regions with difficult natural conditions, underdeveloped infrastructure and a lack of public services. The number of rural migrants is estimated at about 130 million, but most are employed in small and medium sized private enterprises without adequate social protection. Formalizing employment arrangements for migrants should be a priority policy action. China's arable land and water resources are scarce and is under pressure resulting in relatively low agricultural productivity.

Goal 2: Achieve universal primary education

The primary Net Enrolment Ratio for both boys and girls had reached 99.5 percent by the end of 2007. Within six years the primary school five-year retention rate increased from 95 % in 2000 to 99 % in 2006. The Gross Enrolment Ratio in junior secondary education reached 98 %, while the coverage of nine-year compulsory education was 99.3 % for the country. The urban-rural gap in literacy rates of young people has been narrowed, from 6 % in 1990 to 1.6 % in 2005.

Lacunae: There are still significant disparities between urban and rural areas, the eastern and western regions, and various counties on school conditions, teachers' competencies, and teaching qualities. The literacy rate of rural adults 15 years old and above is still relatively low.

Goal 3: Promote Gender Equality and Empower Women

China has basically achieved gender equality in primary education. China is making smooth progress on achieving gender equality in primary and junior secondary education. The status of China indicates ratio of primary Net Enrolment Ratio for girls to boys rose from 98 in 1991 to 106 in 2006. In 2007, the primary Net Enrolment Ratios for girls and boys was 99.52 % and 99.46 %, respectively.

Employment

Women enjoy equal rights in labour and social security policies. China has witnessed increases in women's employment rate, one of the indicators applied to MDG 3. In 2006, 347 million women from both urban and rural areas found jobs, accounting for 45.4 % of the total employed population.

Politics

In China, 21.3 % of people at the parliamentary level are women, about three percentage points above the average for Asia.

Lacunae: Discrimination based on gender, age and region still exists in the labour market. Political participation of women in China is still low and requires an enabling political, social and cultural environment at all levels of society. Violence against women is a very critical gender issue.

Goal 4: Reduce Child mortality

The mortality rate of children under-five years of age has decreased from 64 per 1000 live births in 1980 to 18.1 in 2007.

Lacunae: Medical care is still unaffordable for the poor. Differences in access to quality health care still exist, affecting rural and poor populations, the floating population, and children of minority ethnicity. The traditional mentality of favouring men over women still exists in China, promoting people to prefer boys over girls and partially causing the female infant mortality rate to be higher than male.

Goal 5: Improve Maternal Health

There has been improved access of poor rural women to better quality antenatal and obstetric care. China has reduced the Maternal Mortality Rate from a baseline of 94.7

maternal deaths per 100,000 live births in 1990 to 36.6 per 100,000 in 2007, a reduction of 61.4%, and placing China on track to achieve this MDG target.

Lacunae: Regional differences indicate that the MMR in rural areas is far higher than that of urban areas, and also higher in poor than in developed regions.

Goal 6: Combat HIV/AIDS, malaria and other diseases

China has made a commendable progress to combat HIV/AIDS. The HIV transmission rate from mother-to child decreased nearly 60 % through prevention measures. China has adopted the WHO-recommended DOTS control strategy for TB, increasing coverage from 5 % in 1991 to 100 percent in 2007. Case detection has increased from 5 % to 79 %, while the cure rate has remained above 85 % since 1994.

Lacunae: Due to inconvenient transportation, weak awareness among medical workers, and poor compliance with existing policies, some residents in remote rural areas do not receive a prompt or accurate diagnosis. The standard treatment rate is low, as a result. Frequent population shifts and malaria prevalence in border countries are additional large challenges.

Goal 7: Ensure environmental sustainability

The absolute increase in generation capacity for renewable sources has increased dramatically. China will gradually increase the proportion of renewable energy in overall energy consumption, with targets of 10 % by 2010 and 15 % by 2015.

Lacunae: China is still facing many difficulties in reducing energy use per unit of GDP, and carbon emissions due to the dominance of coal in energy use. There is a lack of appropriate advanced techniques for energy efficiency, while industry, and the electricity, transportation and building construction sectors confront many hindrances in promoting green techniques. The threat posed by the pollution of water resources is particularly great, because China's per capita endowment of water is only a quarter of the world's average. Biodiversity conservation is not fully integrated in planning and policy-making processes at the national and local levels in China. The coverage of sanitary latrines in rural areas is still much lower than that in urban areas. Access to safe drinking water and essential basic sanitary facilities finds gaps between urban and rural areas.

Goal 8: Develop a global partnership for development

China's South-South cooperation takes diversified forms, covering a wide range of areas such as trade, investment and technology, and constituting the important part of global South-South cooperation. In June 2008, 466 items from 31 Least Developed Countries' in Africa had become zero-tariff products.

CONCLUSION

China knows the futility of force. So it relies on peaceful mechanism to expand its global role and influence. It believes through mutual co-operation and interdependence it would enhance its power regionally. It wants to limit the role of US in Asia Pacific region. China seeks the role of a pivot in trade, diplomacy and defence issues in South Asia. It therefore dislikes the growing role of NATO beyond Europe. The third generation leadership under Jiang Zemin has ensured a new role for

China in international system to secure recognition for China as a responsible great power. China does not want to be dominated in the South Asian region. However territorial disputes with many South East Asian members have to be resolved.

In last 10 years there have been 10 documented disputes over energy exploration rights and 17 military confrontations in South China Sea and its territories. China's loose interpretation on UNCLOS has permitted it to claim territory and establish EEZ that stretches 1000 nms beyond mainland China and encroaches upon the sovereignty of its neighbours. Citing UNCLOS and historical records China claims ownership to roughly 80% of South China Sea border. South China Sea with an area of 648000 square nautical miles is a major bone of contention being a trade route between Europe and Middle East to North East Asia, South East Asia to Pacific and North America. China wants maritime command over the area to enforce its hegemonic pretensions. It wants to safeguard its own oil supplies, threaten economic lifelines of Taiwan, Japan. In view of that China has embarked upon the 'string of pearls' strategy. A cluster of islands within the EEZ of Phillipines known as Scarborough Shoal having vast mineral resources has entered into limelight. China calls this area Hunagyan Dao & Stakes claims to it. In 2009 the Philippines has passed Philippines Archipelago Base line law which the Chinese government does not agree. In February 1995 China constructed steel supported structures on Mischief Reef. The Reef is well within the Philippines claim and close to Philippines island of Palawan. There were bloodless naval confrontation between Philippines and Chinese ships. This action was in contravention of Manila declaration and created alarm in ASEAN states (Singh, 2013). Vietnam claims the entire Spratly island. It also claims Paracel islands despite their seizure by China in 1976. In 1989 Vietnam built a small air strip on Spratly island and artificial structure on Vanguard Reef. Chinese surveillance vessel's cut the exploration cables of a Vietnamese oil survey ship in June 2011. China unilaterally established a new prefecture level city Sanitia. The new city would considerate administration over the Paracel island claim alongwith Spratly island claim and Macslesfield Bank.

Though ASEAN is deeply engaged with China in term of trade and investments it is also wary of China's intentions. It calls for robust relationship with US to balance China.. US plan to deploy TMD in Asia would compromise China's defence mechanism. US relations in S.East Asia is a policy of containment of China. US-Vietnam ties are growing stronger. Philippines has signified mutual defense treaty with USA. There can be a new regional security arrangement in S. E. Asia and undermine the role of ASEAN.From 2020 US Navy will resposture its forces to about 60/40 split between Pacific and Indian oceans.

To become a world leader China has to become a more open society. But the system is built on repression and one party rule. As the population of middle class increases there will be serious pressure on the party state to allow dissenting voices.Increasing living standards and prosperity China has created a new consumerist middle class. They live in urban areas and are mainly vocal about their choices and demands About 400 minorities are waiting to be recognised by the govt. 18 of these national minorities have more than a million population.Majority of them inhabit in the five autonomous regions and 659 autonomous cities and counties. Most of these regions share borders with other countries making them strategically significant from China in its domestic, regional and international politics.

China's rise as a major regional power and its vision of dominance in South Asia as part of its Comprehensive National Power strategy will shape the future non –polar world.

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