

**CHINA'S SOFT POWER:
NEW DEVELOPMENTS AND CHALLENGES**

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Executive Summary

1. As early as 2004 China's leaders have publicly regarded soft power—influence through attraction and persuasion—as an important component of national power. The current Twelfth Five-year Programme calls for an enhancement of cultural soft power and the “going out” of China's culture.
2. In recent years China has marshaled more tools to enhance its soft power. It has unleashed a series of foreign policy formulations to influence international discourse on China.
3. From 2003 to 2005, China declared that it would rise (and later develop) peacefully. Since 2005 China has called for a “harmonious world” (和谐世界) where nations choose their own models of development and peacefully co-exist with each other.
4. Since the 2008 Olympics, China leaders have formally recognised the need for public diplomacy. China's Ministry of Foreign Affairs has set up two bodies to conduct or advise on public diplomacy. Many Chinese diplomats have since shown improvement in their interaction with the media and the public.
5. China's cultural diplomacy initiatives have continued unabated. The number of Confucius Institutes has expanded rapidly. Some 45 billion *yuan* have been allocated to three state news outlets to build up the Chinese “CNN”. China had utilised Beijing Olympic Games in 2008 and the Shanghai Expo in 2010 to project an image of a modernising and friendly great power.
6. In the recent decade China has also cancelled debts of nearly US\$4 billion for several poor countries and the least developed ones. Along with the European Union and other players including Japan, China has come to the rescue of debt-ridden countries in the Euro Zone. Generous economic aid helps cast China in a favourable light.

7. PEW public opinion polls show that China's rating among the global public declined from 2005 to 2008, but improved gradually from 2008 to 2011. China's influence within major international economic organisations such as the International Monetary Fund has been expanding. More people now believe that China is about to or has already replaced the United States as the superpower.
8. Nevertheless, a series of challenges remain, including domestic controversies regarding human rights, ethnic policies and information restrictions; external controversies involving China's neighbours, and its mismanagement of these controversies.
9. China also confronts issues such as a lack of understanding of foreign customs, and an external distrust of the Chinese official media. This is however overshadowed by the US' renewed interest in Asia and a rebound in US global popularity.