China's approach to economic diplomacy and human rights

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China's approach to economic diplomacy and human rights

Joaquim Ramos Silva*

SOCIUS,
School of Economics and Management,
University of Lisbon,
Rua Miguel Lúpi, 20, 1249-078 Lisboa, Portugal
Fax: +351-213925808
E-mail: jrsilva@iseg.utl.pt
*Corresponding author

Maria Sousa Galito

CEsA,
School of Economics and Management,
University of Lisbon,
Rua Miguel Lúpi, 20, 1249-078 Lisboa, Portugal
Fax: 21-3976271
E-mail: maria.sousa.galito@hotmail.com

Abstract: At the beginning of the 21st century's second decade, China became not only a major emerging economy, one of the BRICS, but also assumed an increasingly pivotal role in the world economy. As long since demonstrated by Hirschman (1945), wealth and economic strength also mean power and the capacity to influence the behaviour of other nations. In this paper, we examine the rise of China from the perspective of economic diplomacy in conjunction with its relationship with human rights issues. In this setting, understanding its geopolitical priorities alongside the main instruments and goals of its economic diplomacy is essential to properly concluding whether or not its model is coercive by nature or simply pragmatic. Is China effectively playing the global game fairly or should concerns be raised? This paper attempts to answer this and other questions including what rapport exists between China's foreign policy and human rights related issues.

Keywords: China; economic diplomacy; human rights globalisation; world crisis; economic threats; negotiations.

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Biographical notes: Joaquim Ramos Silva is Associate Professor at the School of Economics and Management (ISEG), University of Lisbon, and Researcher at SOCIUS. He received his PhD in Economic Analysis and Policy at the École des Hautes Études en Sciences Sociales (Paris). His main research topics are related to international economics and business: international trade and foreign direct investment analysis and policies, economic diplomacy, emergent economies and the economics of international organisations. He is the author of four books, editor or co-editor of five, and has around fifty scholarly papers in refereed journals and as chapters of edited books.

Maria Sousa Galito is a Researcher at CEsA, School of Economics and Management (ISEG), University of Lisbon. She holds a PhD in Political Sciences and International Relations from the Institute for Political Studies of the Catholic University of Lisbon (Portugal), and a Master in Economics from the University of Nantes (France). Her main research areas are economic diplomacy, geopolitics, terrorism and security, and international economic relations. She has been a regular speaker in international and national conferences, and has published some articles in international and national refereed journals.

1 Introduction

In the final two decades of the 20th century, in parallel with the advance of globalisation, and particularly the improvements in communication and information, the world witnessed a great process of democratisation and many nations and peoples, previously oppressed by dictatorial, military or authoritarian regimes, embraced principles of respect for human rights such as free speech, free political organisation, the popular right to choose governments through free elections, rule of law, basic social rights, etcetera. One of the main symbols of this great transformation was the fall of the Berlin Wall in 1989 and the political changes undertaken in Eastern Europe but, before or after this historical landmark, the movement was no less strong and spread throughout Latin America, Asia and Africa. Even the world economic and financial crisis of 2007–2008 and its aftermath has not brought about any significant reversal of this trend (as happened in Europe in the interwar period) but rather its continuation as demonstrated by the uprisings of the Arab Spring in 2011 and the other social movements of more recent years. Of course, human rights, political democracy and other related social and political values are far from being completely and fully respected in many cases and, nobody can certainly assure that this trend will prove definitively irreversible. However, this great process of democratisation has undoubtedly become more generally accepted in practical terms throughout the world and its declared opponents have often been thrown onto the defensive. This favourable trend to human rights was basically not imposed by force but largely corresponds to a spontaneous evolution;[1] whilst this does not however mean this process takes the same precise forms and significance everywhere with differences, and sometimes substantial in nature, persisting in its main features throughout the world (Mishra, 2013).

Furthermore, there are nevertheless exceptions to this global drive with China being very much to the fore. Of course, this country has also experienced positive evolution in terms of the 'voice' of its people since beginning to implement market reforms in the late 1970s, particularly as a consequence of its integration into the global economy. For example, the internal workings of China are now subject to far greater scrutiny from external observers with a corresponding far greater transparency in the ongoing relations between the government and the population. In the present paper, we analyse the emergence of China as an effective world economic power and its complex relationship with human rights issues from the perspective of economic diplomacy.

As developed in the following section, relations between international economic relations and human values like peace, human rights, anti-racism, democracy, gender non-discrimination and anti-colonialism are in no ways new and very much on the contrary. Thus, in this paper, we do not narrowly focus on human rights in the sense of a

strict correspondence with the United Nations Human Rights Treaties (HRT) [Magesan, (2013), p.175] but instead with the other commonly associated values. At least for the last two hundred years, a significant part of the world community has been mobilised in the defense and expansion of such rights, as the international anti-slavery campaigns of the 19th century quite clearly demonstrate. Indeed, the attainment of such objectives has neither been easily granted nor linearly attained anywhere in the world. Moreover, in spite of mutual commercial interests, whenever human rights concerns are raised in the realm of the economic relations ongoing between nations, frictions also tend to emerge and most often mixing political and economic considerations in a conflictive manner (through threats, sanctions, and other methods), even when limited only to groups from civil society rather than governments. Furthermore, such conflicts often result in negotiations and the establishing of new regulations.

In this paper, our purpose also involves encapsulating such problems within the context of globalisation with its harsh competition for market share and even for obtaining products such as commodities that may be in scarce supply or costly to source. When considering China's integration into the world economy, and competitive firms and economies more generally, the fundamental concern over acquiring cheap goods (whether intermediate or for final consumption) must be emphasised. Such an environment not only demands even more attention but also brings more complexity to human rights issues. In recent decades, multilateralism has been highly instrumental in the removal of barriers to trade and other international flows but, nevertheless, conflicts often do appear and not only influenced by economic factors. And, when referring to great powers such as China, their outcomes may entail huge consequences. In such circumstances, economic diplomacy holds an important role and including the bilateral dimension that still maintains all its relevance [see for example, Bergeijk, (2009), pp.184–185; Heydon and Woolcock, 2009].

Hence, after this introduction, in Section 2 we look retrospectively at the main theoretical arguments relating to economics, diplomacy, and human rights. In Section 3, we discuss the role of China within the new world economic configuration and the specific characteristics of its economic diplomacy. In Section 4, we analyse Chinese practices regarding human rights and attempt to establish a framework for economic diplomacy on such often politically delicate issues. Finally, in Section 5, we draw some of the conclusions deriving from our study.

2 Theoretical background

Beginning with diplomacy from a theoretical stance, we must highlight that one of the most important strands of analysis of the fundamental purposes of economics, initially more properly called political economy, was the search for peace among nations. Indeed, after several centuries of wars between sovereign states in Europe, the emergence of political economy in the 18th century clearly incorporated the objective of peace. Classical economists (Adam Smith, David Ricardo and John Stuart Mill, in particular) sought to move countries away from war and put them on the path leading to wealth and material improvement through the division of labour not only domestically but also through the creation of an international community bound by 'common interests' (the words of Ricardo, 1817) resulting from the specialisation of each nation and the

consequent growth in international trade. Breaking the ground for further contributions around the historical beginnings of the industrial revolution, Montesquieu formulated his theory of *doux commerce* (see Hirschman, 1984) while Hume (1742) pioneered the view later endorsed by classical economists in the following terms:

> "I shall therefore venture to acknowledge, that, not only as a man, but as a British subject, I pray for the flourishing commerce of Germany, Spain, Italy, and even France itself."

To the intellectual environment prevailing in the 18th century, we must also add Kant's position on how good order in the external domain was closely linked to the domestic field (Silva, 1999) and, hence, peace among nations should also lead to more civilised domestic societies. Furthermore, in the following centuries, these beliefs remained among the most powerful political arguments in favour of promoting trade among nations and leading to an increasing removal of barriers. Indeed, authors such as Schumpeter (1919, p.116) and Robbins (1968) drew attention to the fact that these concepts were an essential feature to the body of knowledge making up economics and a distinctive feature of any appropriate understanding of capitalism.

Anyway, regarding historical experience, it becomes difficult to attribute full credit to the argument that more trade will lead to peace and to more civilised societies in all circumstances, for instance, more respectful of human rights. Countries that have more wealth may be expected to accumulate greater power and may not deploy this ability to prevail exclusively for economic purposes. This leads us onto other arguments about how trade is not, purely and simply, mutually beneficial as implied by most mainstream textbooks but may also foster asymmetrical political relations for example of the dependency type, with unequal gains and divergent consequences. Hence, the introduction of political power and sovereignty into the traditional equation of trade may considerably alter the final result (Silva, 1999).

In a seminal work by Hirschman (1945), relationships of dependence, of influence, and even of domination may arise out of foreign trade because countries seeking to leverage the maximum from its strategic position may use trade to manipulate dependent partners and directly or indirectly influence their policies. According to this view, in some circumstances, international trade implies the capacity for deploying coercive economic diplomacy through embargos and other forms of pressure, including the threat of war, and may seek to primarily reinforce the potential of a state in the international arena. Moreover, foreign trade bears a *supply effect* through increasing imports of goods necessary for certain purposes, whether economic or otherwise (leading to higher efficiency or benefits of a diverse order), and through redirecting trade flows to strategic partners (friends or neighbouring countries), as well as an *influence effect* when foreign trade becomes a direct source of power deployed as a means of coercion and to gain the attention of isolated, poor and dependent countries in search of allies to achieve goals that cannot be attained without such international support.[2] The theoretical approach laid down by Hirschman (1945) has been often associated with the dilemma of economic versus military purposes within the economic diplomacy context even while this is not always the case as just referred to: the great power may for example appear as highly sensitive and instrumental to attaining the strategic development goals of its weaker partners.[3]

It must be highlighted that, beyond political determinants, other non-economic factors may significantly influence the direction of trade and the other international exchanges.

For example, cultural or social networks (Rauch, 2001) and language ties (Bergeijk, 1996; Silva, 2009) are very effective in this sense. Furthermore, this applies not only for the case of China and its large diaspora spread worldwide but also for all other countries in similar circumstances. The proximity in the points of view of political regimes is another variable to the same process, for example among authoritarian governments (although it would be highly erroneous to perceive of their relations as necessarily more peaceful).

In concluding this section, the relevance of non-economic factors (political and others) to trade must be emphasised and, in any such game, economic diplomacy is destined to play a major role in the present world setting. Of course, in many cases, only trade and economic objectives are essential, if not exclusive, to the realm of economic diplomacy (Justinek and Sedej, 2012; Silva, 2002), but through these lens there is always "some tension between economics and politics" (Bayne and Woolcock, 2003). Therefore, we need to look carefully at the concrete processes of international transactions in order to ensure a much more nuanced picture emerges. For example, political maneuvers may service economic goals; whilst economic diplomacy also serves to achieve political goals, inclusively in a coercive way. Thus, in accepting this then human rights may be left off the agenda or at risk of exclusion whenever economic dependency on trade partners that prove disrespectful remains strong.

3 China in the new configuration of the world economy, and its diplomatic strategy

> "Observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership." (Deng Xiaoping)[4]

3.1 The emergence of China in its international setting

When studying Chinese foreign policy since the founding of the People's Republic in 1949, two phases become quite clear. Firstly, until the late 1970s, ideology, politics and security were ranked the top priorities for Chinese foreign policy. Secondly, after 1978, the country gave up on the isolationist policies of Mao Zedong, in favour of Deng Xiaoping's pragmatic foreign policy and the economy became the priority. In the latter, major economic reforms were implemented, opening up the market and instigating steady economic expansion. Within this process of internationalisation, however, as emphasised by Lin (2009), China adopted an effective but prudent gradualist approach. Moreover, we must recognise that in its rapid catching up in the last decades, China did follow some basic teachings of the Classic School such as the role of high savings, and consequently of investments to increase and improve production, deep integration into the world economy (not only through trade but also more significantly through foreign direct investment),[5] and, at least since the middle of the 1990s, a preference for a stable currency from the international perspective (with the yuan anchored to the US dollar and disregarding any problems should the former have initially been undervalued or with its real appreciation taking place since 2005). We must similarly recognise that Deng Xiaoping took a path that was obviously both economic and political, aiming to achieve development and to endow a more plentiful and comfortable life for the Chinese people

after decades of extreme penury in profiting from the new world dynamics brought about by globalisation [Silva, (2006), p.313].

Additionally, from the economic diplomacy perspective, it is interesting to note how, in its first decades, the rise of China went relatively unnoticed by most analysts. Indeed, as noted by Zeng (2004), as far as American diplomacy is concerned, long since by far the most important at the world level, and contrary to Japan, China was not perceived as a true competitor and rather as a complement to US trade. Thus, it is hardly surprising that, according to Gu et al. (2008), the implications of China's rise remain a relatively new concern to academic and research debates.

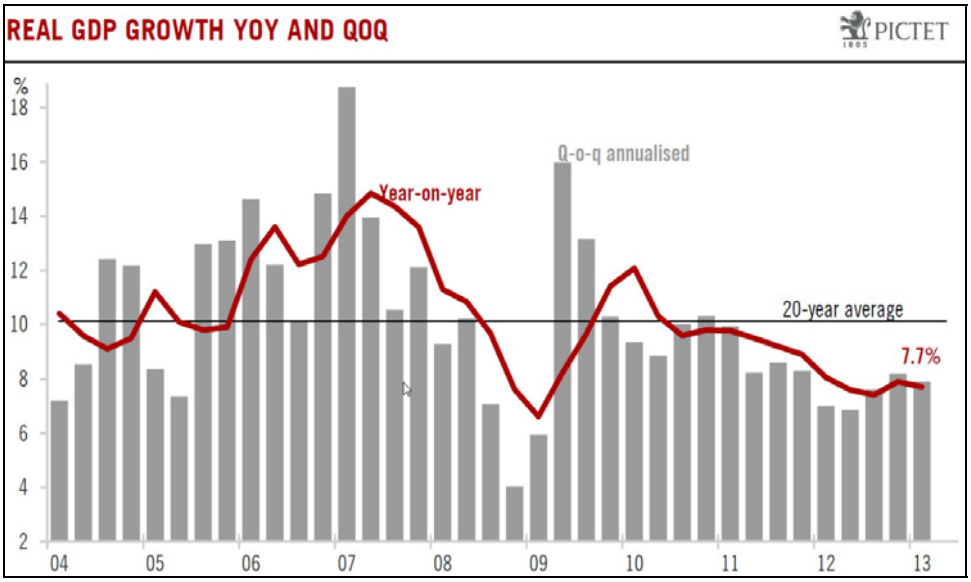
The beginning of the new century was thus characterised by major changes in the world economy, with the international financial crisis of 2007–2008, so far impacting mainly on developed countries, reinforcing these trends. On the global stage, China, in particular, was no longer a mere large emerging market or one of the BRICS; it became a key player.

> "The global order is shifting, driven principally by the rise of the emerging powers. The structure of power and parameters of action that have characterized the international system over the past half-century are being altered by the ascent of China, in particular, and its view of the world, growing political influence, unique ambitions, distinctive diplomatic approach, and increasing involvement in international organizations." [Chin and Schrumm, (2008), p.1]

Let us recall some core facts. According to the World Bank (2012, p.5), China became the world's largest exporter of goods in 2011; and overtook Japan as the world's second largest economy in 2009, and the USA as the world's largest manufacturer in 2008. China also holds a leading position in world FDI inflows and, gradually an increasing role in outward FDI flows. More importantly for our context, due to permanent current account surpluses (also considering the addition of net FDI flows), China had built up the greatest amount of world foreign exchange reserves through to the end of 2012 {30% of the world total, i.e., US$ 2.8 trillion, held by the central bank alone and excluding sovereign wealth funds [Deutsche Bank, (2013), p.16]}. As widely known, the country became the leading buyer of US bonds and now has close, intense and multiple partnerships with many countries across Africa, Asia and Latin America with its strong financial position easily enabling substantial effects throughout the developing world.[6]

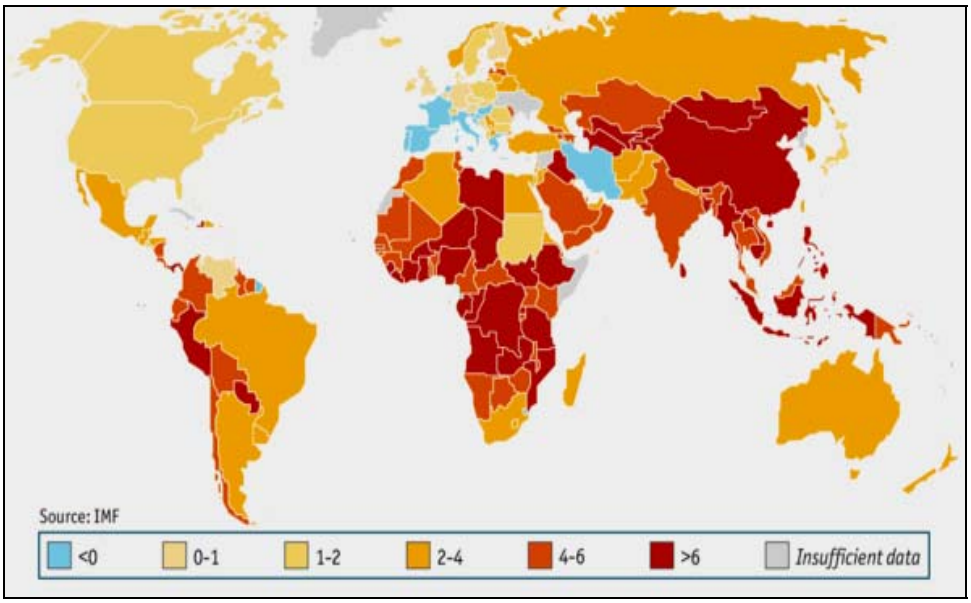
GDP growth in China has been consistently high over the last 20 years (Figure 1), and even after 2008 when most of the rest of the world was plunged into a severe international economic and financial crisis. In the early 2000s, the unprecedented pace of growth in China was strengthened and driven by membership of the World Trade Organization (WTO) in 2001. It is however also true that, since late 2011, industrial production and retail sales have decelerated and, in overall terms, the rate of growth is not so elevated even while remaining high (around 7%) in comparison with world averages with the Chinese economy retaining its position as a major driver of world markets. According to Batson (2013), China has generated a diminished impact on global growth since 2011, however, even at the slower rates of recent years, ceteris paribus; China will continue to steadily raise its share of world GDP.

Figure 1 China's real GDP growth (see online version for colours)



Source: Godin (2013)

Figure 2 GDP growth, 2013 forecasts (%) (see online version for colours)



Source: The Economist (2013b)

Within the context of our analysis, we also require a perspective on the performance of these relationships in the near future. Figure 2 sets out forecasts for 2013 and provides a comparison with the expected performances of world regions. From the growth perspective, Europe definitely proves the most vulnerable and either turning in the weakest growth rates or actually contracting whilst China still maintains an annual pace of 7%, which means higher than the 6% expected from many countries in Africa and the 1% or 2% across Latin America. Correspondingly, Figure 2 demonstrates where the greatest world potential lies and China is well aware of this and invests in such regions in accordance with its long term strategy. According to Gilmore (2012), China may become the largest economy by as soon as 2020. Indeed, Beijing's economic diplomacy is very much down-to-earth, seeking opportunities wherever they are, not raising many questions either about the type of regime or about human rights and also because China desires mutual silence from other governments on such subjects.

According to many observers (see World Bank, 2012), as far as the future of China is concerned, the main problem is not its pace of growth in the short to medium term (despite the huge consequences for the rest of the world economy in the case of any hard landing), but rather its transition to a truly modern and mature economy. Thus, while growth in the short term may perhaps only depend on policy preferences such as monetary or public spending stimuli in which China still has leeway, the road to deep structural reforms is nevertheless much more complex and winding. The outward oriented model hitherto put into practice (based on fostering exports, openness to foreign direct investment, and a very high rate of domestic investment) has been incredibly successful, but the future transformation of China in this sense represents a much more sophisticated challenge, implying major changes in the direction of the economy, for example, relying on new drivers of growth. It certainly also needs changes at other levels such as in the institutions that have thus far supported these processes. In this context, we are not necessarily referring to China alone but rather also to the historical record of similar cases with such an adaptation having historical proven a very challenging process indeed. On the positive side, we may anyway add that on the basis of its high growth in recent decades, China does seem better positioned for overcoming such challenges. Moreover, some of these changes will likely strongly impact on human rights issues, for example, as regards a more creative, open and well informed society, with fewer restrictions on the circulation of ideas. In all events, much uncertainty will remain about the final outcome of this process.

3.2 The main features of China's economic diplomacy

China has thus benefited from steady growth rates over the last decades. Throughout all this period, China has remained highly competitive, gaining market share worldwide and becoming the main trading partner to many countries. Since the beginning of the process, an economy-focused diplomacy of reassurance was undertaken to counter any idea that China might be too powerful in the Asia-Pacific region or even pose some global political threat. Hu Jintao (President from 2002 to 2012) maintained some of Deng Xiaoping's ideas, including "hide our capacities and bide our time" while also striving to calm concerns among neighbouring countries over China holding expansionist tendencies.

In December 2003, at an American Bankers Association meeting in New York, Chinese Premier Wen Jiabao (Premier from 2003 to 2013) declared five principles for fair trade and for a bilateral economic partnership. The first two are those explained just

above: mutual benefits and a supposedly win-win strategy that seemed less threatening and instead mostly helpful to other countries. Emphasising the shared benefits within the context of the so greatly desired economic development goals further contributed to China's success. Simultaneously, such a policy also requires China to foster consensus on major issues and avoid sanctions and trade tensions; thus spurning the 'politicisation' of trade issues; and deploying consultative mechanisms while advancing high level government-to-government dialogues to prevent problems and future disputes arising (Sutter, 2006).

Overall, China naturally seeks to defend its national interests, working within the framework of a multipolar world order in which governments pursue strategic partnerships to proactively reach objectives of benefit to that respective country. In Europe, for example, China capitalised on its stakes in this power game by investing in two of the most vulnerable countries (Portugal and Greece), more open to negotiations out of necessity[7] and simultaneously strategically positioned (respectively, at the western and eastern sides of the Mediterranean with Portugal also serving as Europe's Atlantic gate). China also promoted its economic diplomacy with major European players such as France and the UK in the years immediately in the wake of the international crisis, perhaps representing an alternative to the US market, even though investment in Europe may have since decreased.

> "Most eye-catching have been inroads that Beijing has made in Europe. For reasons including fostering a 'multi-polar world order', it has been a longstanding tradition for Beijing to bolster ties with the European Union when it is encountering hiccups in relations with the United States. Beijing seems to be reviving the old game of playing favorites, which is a time-honored tactic to help stymie the development of a transatlantic approach to China." [Lam, (2010), p.3]

In the light of this, we may raise some questions concerning the economic diplomacy of China in other regions of the world: are political maneuvers carried out in the service of economic goals? Or does the reverse rather apply? Beijing is indeed pragmatic and usually deploying the following strategy in the Asia-Pacific region: providing foreign assistance, raising trade and foreign direct investment to convince the countries in receipt of those economic incentives about its interests. Therefore, we may conclude that China does use economic tools to achieve external political goals (Glaser, 2012).

Is China seeking to be a global player? On the economic front, China already is through a slow but gradual affirmation of a multipolar world. China is certainly the strongest of the BRICS – Brazil, Russia, India, China and South Africa – and the country that largely pulls the others along (particularly through the outstanding indirect mechanism of high commodity prices largely resulting from increased Chinese demand) and remains comparatively stronger than the others even if turning in slower growth rates than in previous periods (The Economist, 2013c). It is also possible that the future will bring a more geostrategic than a geo-economic China.

A good example of the scope for potential change is provided by Chinese exports of rare earths. This group of metals is very important input into the production of tablets, lasers, cellphones and other high-tech goods, and China had a virtual monopoly as a supplier in this field. According to Geofísica Brasil (2013), in 2010, the Chinese government drastically restrained these exports imposing quotas and raising taxes. The government alleged environmental reasons when adopting this policy and the right to protect a non-renewable and finite resource. Observers, however, noted that the main

purpose behind this decision more likely involved favouring Chinese technology industries. Whatever the core motive, the key point here is that the market for these metals entered into rupture, with some, for example terbium and europium, more than tripling their prices between 2010 and 2011 with severe consequences to the adjustment of such industries in other countries at a time of crisis.

Beyond the bilateral diplomatic stakes, China is also investing strongly in multilateralism with relations ongoing at the G8, the BRICS, G20, and the United Nations, where it holds a Security Council veto, levels and in particular through staking out a claim to developed country status whilst serving as a 'representative' of the South, in North/South and South/South relations.

> "Beijing's approach … by its self-alignment with the developing world even as its main priority is to secure its national interests as a de facto great power. In the case of China's evolving relations with the G8, its strategic interests and state ideology appear to be served by putting concerted attention and resources into reaffirming its self-proclaimed status as a 'developing country' and representative of the interests of the global South, despite it having become the 'world's factory'. The reality is that China now possesses many dimensions of international power – economic, political, and security – that many G8 members cannot claim. This desire to self-identify as a leading member of the South has also encouraged Beijing to support a growing list of South-South cooperation initiatives as well as nascent processes of collective identity formation among the leading developing countries; for example, in the G5 at the G8 Summit meetings." [Chin and Schrumm, (2008), p.2]

We would further to point out that, in spite of its strong economic focus, China has maintained a high level of military spending and especially as regards conventional weapons. China spent the second highest amount on military expenditure (9.5%), in a ranking led by the USA (39%) (SIPRI, 2012). Between 2008 and 2012, China was the fifth largest supplier of major conventional weapons worldwide (on 5% with the USA in first place on 30%). Between 2003 and 2007 and 2008 and 2012, the volume of these Chinese exports rose 162% with its share of the volume of international arms exports rising from two to 5% (SIPRI, 2013). This reflects substantial investments in the military industry sector and its positioning in economic diplomacy is considered a top foreign policy priority. It is clear that China, as happens with other states, seeks the capacity to defend itself in case of need even while doubts remain as to whether or not this shall turn into an expansionist model. From China's perspective, these investments should be interpreted as the means of dissuading countries from opposing them and forcing second thoughts among those considering going against China's economic and political interests (Glaser, 2012).

Presently, there is neither great stability nor confidence nor certainty about the world's future even if a peaceful and predictable environment remains the best course for a further expansion of trade, investment and achieving and maintaining economic development goals. Overall, China strives to play an active role in the international system and is deploying the means to enlarge its sphere of influence even while not wanting to be perceived as a threat and more as a country promoting a peaceful world through recourse to its privileged relationships. China identifies a non-violent and stable world as facilitating its development and establishing its role as a new superpower [Sklias et al., (2012), p.1].

From analysis above, it becomes clear that China's economic targets are linked up with its political objectives and maneuvers take place in the service of its national

interests. These are both pragmatic and planned strategically in advance, based on long term goals striving for greater control and influence regionally as well as globally, and in which economic diplomacy represents a tool deployed in service of achieving that objective.

4 The trade-off between economic diplomacy and human rights in the context of the rise of China

On 10th December, 1948, in the aftermath of the catastrophe of World War II, the United Nations Organization adopted the Universal Declaration of Human Rights. According to a widespread view, the United Nations HRT prove more advantageous the more democratic the targeted country is, particularly as regards the application of the rule of law even if "in the absence of civil society and/or in pure autocracies, human rights treaty ratification often makes no difference and can even make things worse" [Neumayer, (2005), p.33]. Moreover, as underlined by Magesan (2013, p.175), much of the skepticism surrounding the implementation of the HRTs stems from the fact that "unlike the treaties in trade and environment, (they) are difficult to monitor and are often formally unenforceable. This lack of a tangible cost to HRT participation, it is often argued, renders ratification an empty gesture with no real consequences for human rights". Therefore, as regards economic diplomacy, does this generate positive results as far as human rights are concerned, and particularly in the case of China?

Economic sanctions are examples of coercive diplomacy applied by a state or group of states with the intention of exercising power over a third country in order to bring about change in its policies, for example, due to its failure to safeguard human rights. The strength of the measures taken depends on the influence of the former over the latter [Sousa Galito, (2012), p.9], within a process in which economic and financial flows tend to play a major role. In spite of the fact that they have been deployed frequently, the effects of economic sanctions, notably in the short and medium term, remain quite controversial (Drezner, 1999).

As referred to above, during the first phase in its postwar foreign policy cycle, the Western world and more specifically the US used to strictly apply sanctions to China whenever human rights were severely dishonored. However, economic diplomacy between the USA and China gradually improved after the Nixon Administration took office and even more so after the May 11 1979 settlement of financial claims and agreement on trade. Subsequently, in 1989, when the Tiananmen Square massacre took place, the US not only postponed all trade in arms alongside any military or high level government exchanges but also delayed multilateral development bank loans, restricted satellites export licenses, conditionally prohibited export-import bank financing support, as well as placing limitations on US aid and export licenses to China in the biennial Foreign Relations Authorization Act. These restrictions were then subsequently gradually softened or removed [Rennack, (1997), p.2].

In 1989, the US was the 'indisputable' superpower, and still remains so for some, but later with its engagements in wars abroad (such as Afghanistan and Iraq) and more recently as the epicenter of the 2007/08 financial crisis, the country is no longer on top of its game without significant restrictions. In the contemporary world, it becomes harder to impose sanctions against human rights violations when other priorities related to

economic goals or constraints, such as dependency on China's liquidity and projects, are in effect.

What about trends in relations between China and the European Union? The Tiananmen Square massacre represented a critical point, however, subsequently, in 1995 the EU-China specific dialogue on human rights began (interrupted in the spring of 1996) with strong divisions emerging among EU member states over whether or not to continue supporting the annually tabled motion against China in the UN Commission on Human Rights in 1997 (UNCHR) while the paper on *Building a Comprehensive Partnership with China* (Commission of the European Communities, 1998) took the EU gradually closer to Beijing, with discussions focused more on the positives rather than on the negative aspects:

> "China is still far from meeting internationally accepted standards on human rights … Nonetheless, the situation of human rights in China has improved over the last twenty years … The EU believes in the merits of dialogue, in all appropriate fora, over confrontation. The EU and China should therefore tackle their differences in a frank, open and respectful manner." [Commission of the European Communities, (1998), p.9]

Indeed, while 'The EU remained concerned at violations of human rights in China' [European Union, (2012), p.241], the 16 June 2011 EU-China meeting in Beijing addressed the rights of minorities (including Tibetans) and there was an 'emergency debate' in the European Parliament in October 2011 about human rights violations in Tibet, long since struggling to attain true autonomy. Rule of law was also subject to discussion even though some meetings with China were then cancelled. At the 17th session of the UN Human Rights Council (17 June 2011), the EU made a statement declaring its concerns about the deterioration of human rights in China. The problem with pushing a harder line derives from how EU also faces a major financial and economic crisis with many of its member states running close trading relations with China and eager to expand them. In general, European Union officials maintain soft or rhetoric speeches about the need for more freedom and respect for human rights in China to little net results. Furthermore, on the occasion of the 2010 Nobel Peace Prize being awarded to Liu Xiaobo, China not only warned the Norwegian government that the decision could damage relations between Beijing and Oslo but also recommended other countries boycott the ceremony with almost 20 nations correspondingly failing to attend.

China plays a low profile political agenda, proffering good deals to countries needing to boost their trade flows and to invest in infrastructures. Beijing's human rights diplomacy is as pragmatic and intelligent as its economic diplomacy while affirming sovereignty in multilateral forums, good and mutually beneficial bilateral deals encourage the staying away from difficult and politically sensitive topics; and proving both opportunistic and elastic in exceptional situations.

> "China has developed a multi-tier strategy in its human rights diplomacy. It has three aspects: in the multilateral international human rights arena, China's approach is dominated by the sovereignty principle and organizing like-minded countries into a coalition; in bilateral diplomatic channels, China follows a combined policy of dialogue, negotiation, bargaining and supplementary economic incentives; and on certain international human rights issues such as in the case of Darfur, China mainly applies ad hoc and flexible policies. The

> core of China's approach is to protect its sovereignty as it continues to insist that human rights are a domestic matter. However, it is becoming increasingly difficult to maintain this rigid position. China must adjust its practice to conform to the international norms." [Zhu, (2011), p.1]

In the future, China will probably continue to invest in a proactive approach to regional and international affairs, based on continued openness and international engagement, but with more emphasis on pursuing key interests such as climate change and other non-traditional security subjects [Summers, (2013), p.11]. Therefore, the question is: will excessive economic dependence on China increase some countries' vulnerability to pressure, principally in the field of human rights? If so, what can be done to avoid this? States economically dependent on China or under its tied influence enjoy little leeway nowadays.

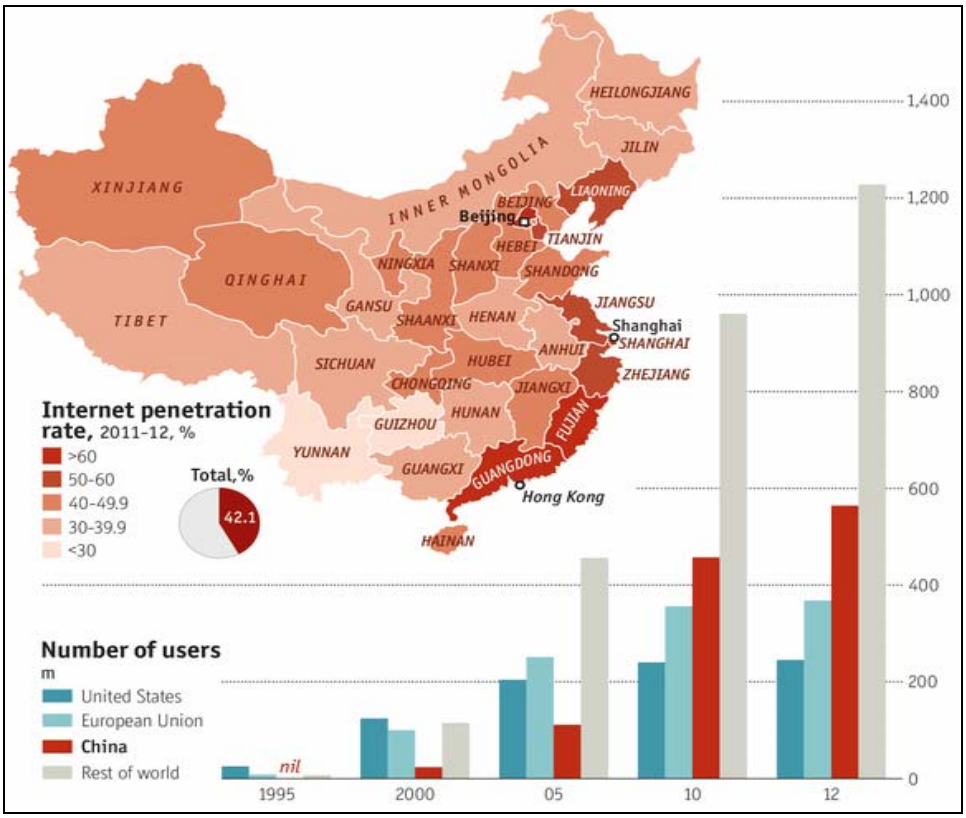
> "The future of the international human rights system is by no means certain as the West increasingly cedes global power to developing states with fast-growing economies, many of which have traditionally been skeptical of the human rights framework owing to its rootedness in Western philosophy and association with the geopolitical dominance of the West in modern times. With its soaring wealth and global influence, China is a 'triton among the minnows' in this new landscape and, especially in view of the challenging role it has historically played within key UN human rights fora, its objectives in this field are of particular importance." [Sceats and Breslin, (2012), p.55]

Undoubtedly, when states do not hold great power, NGOs and civil society groups can wield pressure locally, regionally or globally, and may achieve results whenever able to convince a massive number of people to stand up against the status quo and bring about dialogue on human rights in their countries (especially in political democracies) and in multilateral forums like the United Nations. Although not easily measured, the pressure from this kind of group often proves effective in promoting human rights.

What do people in China consider about such issues? Information was traditionally constrained inside China, but while state propaganda still remains very important, its role has probably become less dominant because of trends such as further education, student exchanges between Chinese and foreign universities, tourism and increasing citizen access to the Internet. In fact, successive Chinese governments have sought to retain some control over the Internet on the grounds of social stability. Less information not only usually means less questioning and less social troubles but also fewer appeals to human rights to seek the truth. Nevertheless, achieving this goal remains complicated as the Internet represents a world of its own with ever more Chinese people accessing it, including citizens from rural areas now connected through social networks not just via computers, but also via mobile phones (see Figure 3).

In China, the Internet is being used to connect and to gather information but also to promote human rights and fight against corruption, complaining about problems on social networks and striving to establish lobbies and organising movements of indignation. Members of government and local officials no longer feel completely above the law and experience these pressures while simultaneously also turning to the Internet in their own favour. Besides, dissidents make up a still small percentage of Internet users. Hence, this means that while dissidents remain online and unorganised, China's authorities still believe the situation remains under control (The Economist, 2013a).

Figure 3 China's internet penetration rate and the number of users (see online version for colours)



Source: The Economist (2013a)

As long as the country maintains its economic power by exporting and attracting investment, building and creating jobs in a society with controlled social tension and demographics (with a low number of births and the migration of Chinese workers worldwide to implement Beijing's investments and projects), the situation will benefit the government's plan to exclude human rights issues from the political agenda.

Nevertheless, China has vulnerabilities. It is highly dependent on energy, mostly oil and gas, has one of the largest populations of the world with growing expectations, and whether or not it maintains high growth rates (likely to shrink), as pointed out before, major challenges are still to come. These factors will necessarily shape China's policies in so far as the country also depends on the rest of the world. Thus, what if China loses the capacity of influence because its advantage also stems from the poor economic performances of other countries, particularly at the level of macroeconomic management? Will China return to a model of regional power with constraints? And will it deploy its new defense machinery to maintain its acquired power? Answering these questions now would only be guessing based on gut feelings, but few countries have not either used or threatened to use strong military power once having attained it. However, China has alternatives and, as underlined in the theoretical section, the aggressive path is not necessarily the only possible outcome.

Despite these difficulties and pressures, it becomes very important to raise human rights issues in cases like China and other countries in similar conditions. In dealing with great powers like China, major countries like the USA, the European Union in unison, Japan, and even democratic BRIC like India and Brazil may serve to counterbalance and thereby gain a particular responsibility and ought to show awareness about the protection of human rights as in principle happens in their countries takes its place on the agenda for negotiations. However, as the case of the Nobel Prize ceremony in Norway clearly demonstrated, efficiently managed smaller countries are often more effective in supporting human rights in China with this also holding true for more committed organised civil society groups.

5 Conclusions

China is a major player in today's global arena. It represents a good example of how increasing wealth means increasing power, especially after beginning to invest in strategic countries/regions of the world. Chinese aid and assistance, trade and foreign direct investment and the buying of government bonds in countries with excessive sovereign debt are all deployed to encourage countries to consider Beijing's own interests, especially in terms of being less attentive about human rights in China.

For the time being, China is not a major source of concern and does not represent a military threat, which does not mean that, without some changes, this does not become the case in the future. China's geopolitical priorities and its economic diplomacy are highly pragmatic and focused on achieving and maintaining economic development and national interests linked with a mixture of ideology, politics and security that is very much of its own kind. Countries that depend on China, especially either the still very poor or those strongly affected by the international economic crisis show less concern about appeals to human rights and more to business deals. Thus, a warning call over the protection of human rights in the international arena proves necessary and stemming from China's hardheaded model of economic diplomacy.

Feasibly, economic diplomacy, by improving trade and dialogue, may help in influencing countries that hitherto have not respected human rights to begin doing so but this proves most effective when the controlled country is the weakest in the equation. This is not the case with China nowadays belonging to the group of the strongest at the negotiating table with Western powers unable to make demands of China as once as they used to. However, key issues about the violations of human rights in China, and in particular the recognition of dissident rights to express freely their views, will continue to be discussed and written about in international forums. However, as long as China's market is in a very strong position, including its defense investments, and other powers including the US and the EU continue largely dependent on China, then critical voices in favour of respect for human rights' will probably come mainly from NGOs, media of reference, public protests or from online expressions of disapproval. In democracies, people hold the power when knowing how to use it and, in the era of globalisation, people can maintain the flame of human rights protection by acting together and becoming more attentive to what happens in countries like China notwithstanding the official pressures and economic short term considerations of trading partners. In sum, in spite of the fact that economic and financial flows must be freely pursued (and where the

incorporation of China represents an advance), this must not mean oblivion for human rights. On the contrary, as in the past, the struggle for their respect must continue in every possible way.

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Notes

1 In this process, we would note that an international awareness and sense of conscience, directly or indirectly, played an important role. For example, the awarding of the Nobel Peace Prize to freedom fighters caused an important impact on developing respect for human rights and as shown in cases as diverse as those of apartheid era South Africa, Argentina's military dictatorship, and the Indonesian occupation of East Timor, to mention but a few.

2 In this framework, the influence effect does not mean that the immediate economic benefits go necessarily to the strongest state, more likely to the weakest; the former is at this stage 'buying' a political support for his more global policies and strategies.

3 According to Hirschman (1945, p.25): "the nation conducting a power policy has an interest diverting its trade to poor countries in which marginal utility of income is high".

4 Quoted by Geis and Holt (2009, p.81).

5 This characteristic must be pointed out insofar as, differently to the Soviet Union (even while the political regime remained similar), this deep integration enabled China to play a much more active role on the international stage and attain substantial scope and means for intervening in world affairs. As long since shown by the work of Hirschman (1945), a country cut off from the world economic flows becomes internationally handicapped, i.e., the effects of trade are much more significant whenever the power seeking to influence plainly participates in international exchanges. This observation is of clear relevance to the core subject of this paper.

6 The considerable financial resources amounted by China facilitate the opening of credit lines for much needed infrastructural investments, i.e., those with mostly long term consequences, on relatively favourable terms and without 'political preconditions'; see the work of Ferreira (2008) on the case of Angola, for example.

7 In the case of Portugal, through to July 2013, China was by far the main source country of investment in the privatisations following the international bail-out of May 2011 and obtaining a dominant position in the energy sector through the acquisition of EDP and REN (electricity and gas companies).