



Universitat Autònoma de Barcelona

China's Assertive Turn: China's Grand Strategy and Foreign Policy Adjustment through the Belt and Road Initiative

Alejandra Peña

ADVERTIMENT. L'accés als continguts d'aquesta tesi doctoral i la seva utilització ha de respectar els drets de la persona autora. Pot ser utilitzada per a consulta o estudi personal, així com en activitats o materials d'investigació i docència en els termes establerts a l'art. 32 del Text Refós de la Llei de Propietat Intel·lectual (RDL 1/1996). Per altres utilitzacions es requereix l'autorització prèvia i expressa de la persona autora. En qualsevol cas, en la utilització dels seus continguts caldrà indicar de forma clara el nom i cognoms de la persona autora i el títol de la tesi doctoral. No s'autoritza la seva reproducció o altres formes d'explotació efectuades amb finalitats de lucre ni la seva comunicació pública des d'un lloc aliè al servei TDX. Tampoc s'autoritza la presentació del seu contingut en una finestra o marc aliè a TDX (framing). Aquesta reserva de drets afecta tant als continguts de la tesi com als seus resums i índexs.

ADVERTENCIA. El acceso a los contenidos de esta tesis doctoral y su utilización debe respetar los derechos de la persona autora. Puede ser utilizada para consulta o estudio personal, así como en actividades o materiales de investigación y docencia en los términos establecidos en el art. 32 del Texto Refundido de la Ley de Propiedad Intelectual (RDL 1/1996). Para otros usos se requiere la autorización previa y expresa de la persona autora. En cualquier caso, en la utilización de sus contenidos se deberá indicar de forma clara el nombre y apellidos de la persona autora y el título de la tesis doctoral. No se autoriza su reproducción u otras formas de explotación efectuadas con fines lucrativos ni su comunicación pública desde un sitio ajeno al servicio TDR. Tampoco se autoriza la presentación de su contenido en una ventana o marco ajeno a TDR (framing). Esta reserva de derechos afecta tanto al contenido de la tesis como a sus resúmenes e índices.

WARNING. The access to the contents of this doctoral thesis and its use must respect the rights of the author. It can be used for reference or private study, as well as research and learning activities or materials in the terms established by the 32nd article of the Spanish Consolidated Copyright Act (RDL 1/1996). Express and previous authorization of the author is required for any other uses. In any case, when using its content, full name of the author and title of the thesis must be clearly indicated. Reproduction or other forms of for profit use or public communication from outside TDX service is not allowed. Presentation of its content in a window or frame external to TDX (framing) is not authorized either. These rights affect both the content of the thesis and its abstracts and indexes.



Universitat Autònoma de Barcelona

PhD Programme in Politics, Policies and International Relations

Department of Public Law and Legal History Studies

Department of Political Science and Public Law

Institute of Government and Public Policy

**China's Assertive Turn: China's Grand Strategy and Foreign
Policy Adjustment through the Belt and Road Initiative**

by

Alejandra Peña

PhD Thesis

Supervisor and tutor: Dr. Laura Feliu Martinez

September 2019

AGRADECIMIENTOS

El camino de escribir una tesis es solitario, no obstante, no podría haber llegado hasta aquí sin el apoyo de diferentes personas. Dentro del grupo de gente que me acogió en la Universidad Autónoma de Barcelona, debo agradecer en primer lugar a mi Directora de Tesis, Dra. Laura Feliu por brindarme su apoyo y guía en los momentos más difíciles de este camino. Al Dr. Ferran Izquierdo y demás miembros del grupo de investigación TRANSMENA, por su apoyo y los gratos momentos compartidos. Al Comité Académico del Programa de Doctorado en Ciencia Política, Políticas Públicas y Relaciones Internacionales, Dr. Margarita León, Dr. Rafael Grasa y Dra. Eva Ostergard, por todo su apoyo y consideración a lo largo de estos años.

A mi Alma Mater, la Universidad de los Andes en Venezuela. Por darme la oportunidad de formarme fuera de sus aulas y seguir creciendo profesionalmente. En especial a mis compañeros de trabajo y mentores.

Al Dr. Eric Florence, Director del French Centre for Research on Contemporary China, por haberme dado la oportunidad de realizar mi estancia de investigación en Hong Kong y Beijing, a través de la cual me fue posible realizar mi trabajo de campo y obtener valiosas observaciones para mi investigación. De la misma manera quisiera agradecer a Henry Wu y Judith Audin por hacerme sentir como en casa.

De manera muy especial, a Claudia Rives, mi compañera en este camino del Doctorado. Por brindarme siempre las palabras adecuadas en los momentos en que desmayaba, por todos los momentos y noches de desvelo en las que juntas enfrentamos los retos y obstáculos de este camino. Gracias por convertirte en mi familia en este país, por abrirme las puertas de tu casa. Sin tu apoyo alcanzar esta meta hoy no sería posible. Aquí seguiré a tu lado para el momento en el que tu también alcances este sueño.

A mi familia de Barcelona, por vivir tan cerca de mí los vaivenes de esta experiencia. A mi familia en Venezuela por darme su apoyo en la distancia, en especial a mi tía Yaneira, por su amor e incondicional apoyo.

Finalmente, quisiera dedicar esta tesis a mis grandes amores. A mi madre por ser siempre fuente inagotable de amor. A Mis hermanos, Ale y Kike por ser mi ejemplo y soporte durante los momentos más difíciles. A mi padre que desde donde este sigue guiando mis pasos. A mi esposo Andrés, por haber hecho de este sueño algo suyo también, y por vivir cada risa y cada lagrima como si fuera suya. Los amo infinito. Este logro también es de Ustedes.

TABLE OF CONTENTS

AGRADECIMIENTOS.....	I
TABLE OF CONTENTS.....	III
SUMMARY.....	7
RESUMEN.....	9
LIST OF ACRONYMS AND ABBREVIATIONS.....	11
LIST OF FIGURES AND CHARTS.....	13
CHAPTER 1. INTRODUCTION: PUZZLE, THEORETICAL BACKGROUND AND METHODOLOGY.....	15
1. PRESENTING THE RESEARCH.....	15
1.1. <i>The Rise of China as a Global Power</i>	21
1.2. <i>The Belt and Road Initiative</i>	24
2. RESEARCH PUZZLE.....	26
2.1. <i>Research Questions and Working Hypothesis</i>	29
3. THEORETICAL BACKDROP: THE DEBATE ON CHINA’S RISE AND GRAND STRATEGY.....	31
3.1. <i>The Realist Account and the Emergence of the “China Threat Theory”</i>	33
3.2. <i>The Liberal Account</i>	35
3.3. <i>The Constructivist Account</i>	39
3.4. <i>Critical Theory</i>	40
3.5. <i>Foreign Policy Analysis (FPA)</i>	43
3.6. <i>Sociology of Power Perspective (SoP)</i>	45
4. RESEARCH DESIGN.....	47
4.1. <i>Research Methodology</i>	47
4.2. <i>Research Methods</i>	47
4.3. <i>Research Techniques and Data Collection</i>	48
4.3.1. <i>Documentary Analysis</i>	48
4.3.2. <i>Qualitative Interviews</i>	49
CHAPTER II. FRAMEWORK FOR ANALYSIS: GRAND STRATEGY AND FOREIGN POLICY ADJUSTMENT ...	51
1. ON THE EXPLANATORY FACTORS OF CHINA’S GRAND STRATEGY AND FOREIGN POLICY ADJUSTMENT.....	52
1.1. <i>Systemic factors</i>	53
1.1.1. <i>Structural Changes in the global economy</i>	53
1.1.2. <i>Fluctuations in the global distribution of power</i>	56
1.2. <i>Domestic factors</i>	63
1.2.1. <i>Regime Preservation and CCP’s Legitimacy</i>	64
1.2.2. <i>Exhaustion of the development model</i>	69
1.2.3. <i>Elite restructuring</i>	73
CHAPTER III. CHINA’S GRAND STRATEGY: CONCEPTUAL APPROACH AND EVOLUTION.....	76
1. A CONCEPTUAL APPROACH OF GRAND STRATEGY.....	76
1.1. <i>Grand strategy and foreign policy</i>	77
1.2. <i>Defining China’s grand strategy</i>	78
2. CONTEXT AND EVOLUTION OF CHINA’S GRAND STRATEGY AND FOREIGN POLICY: FROM MAO ZEDONG TO XI JINPING.....	79
2.1. <i>The Dogmatic Orientation in China’s Foreign Policy Under Mao Zedong</i>	80
2.2. <i>Deng Xiaoping’s “radical pragmatism”</i>	84
2.2.1. <i>“Peaceful Development” as China’s grand strategy</i>	88
2.3. <i>Xi Jinping and China’s grand strategy</i>	94
CHAPTER IV. CHINA’S ASSERTIVE TURN IN FOREIGN POLICY: STRATEGIC ADJUSTMENT.....	97
1. THE TRANSITION BETWEEN FOREIGN POLICY STRATEGIES. FROM “KEEPING A LOW PROFILE” TO “STRIVING FOR ACHIEVEMENT”.....	98

1.1. <i>The Basis of the KLP Strategy</i>	99
2. THE EMERGENCE OF THE SFA STRATEGY. RUPTURE OR ADJUSTMENT?	102
3. THE 19 TH PARTY CONGRESS AND XI JINPING’S STRATEGIC THINKING	107
4.1. <i>Foreign Policy Issues</i>	108
CHAPTER V. CHINA’S BELT AND ROAD INITIATIVE	113
1. UNPACKING THE BRI: ORIGINS, SCOPE AND FRAMEWORK	113
2. POLICY BACKGROUND OF THE INITIATIVE	118
3. CHINA’S DOMESTIC IMPERATIVES AND THE BRI RATIONALES	121
4. THE POLICY-MAKING PROCESS OF THE BRI	127
CHAPTER VI. UNDERSTANDING CHINA’S GRAND STRATEGY AND THE BELT AND ROAD INITIATIVE IN CENTRAL ASIA	130
1. CHINA’S ENGAGEMENT WITH CENTRAL ASIA. A THREE-DIMENSIONAL APPROACH	131
1.1. <i>The Three Dimensions of Engagement</i>	133
1.1.1. <i>Trade</i>	134
1.1.2. <i>Diplomacy</i>	138
1.1.3. <i>Security</i>	143
2. HOW DOES CENTRAL ASIA FIT INTO THE BELT AND ROAD COMPREHENSIVE STRATEGY?	146
3. THE CHALLENGES AHEAD	151
CHAPTER VII. CONCLUSIONS.....	153
REFERENCES	164
ANNEX.....	190
LIST OF INTERVIEWS	190

SUMMARY

In the aftermath of the 2008 global economic crisis, the rise of emerging powers such as China has contributed to the shifting balance of global power from the West to East and continue prompting significant transformations to the international system and the global economy. In this scenario, China is seen as an increasingly pivotal player in the world arena and much interest is dedicated to its external projection and foreign policy and to the scope and role of its grand strategy. Recent debates on the nature and impact on China's foreign policy have raised the question of the ways in which China is developing a more proactive international profile and becoming more capable of accomplishing its foreign policy objectives through its global economic and diplomatic engagement.

The central argument of this dissertation is that China's engagement in the world through its grand strategy and foreign policy have undergone strategic adjustments to meet China's growing power aspirations, project a more proactive and leading international profile, increasing Beijing's worldwide influence, and to cope with the complex challenges that the rise of China has brought in. This dissertation hypothesizes the existence of domestic and systemic factors driving China's grand strategy and foreign policy adjustment in Xi Jinping era. The empirical contribution of this dissertation explores the existence of three periods in the evolution of China's foreign policy: the dogmatic, the pragmatic and the assertive periods, and it accounts for the rationale and motivations of the Belt and Road Initiative as a foreign policy tool under Xi Jinping's era.

Most scholarly contributions tend to study the rise of China from a particular level of analysis, either systemic or domestic, some including regional perspectives, and they also tend to adopt a single theory-based approach. This generates partial or focalized studies or insights about China's rise which add great value to the debate yet lack a more comprehensive perspective that cuts across levels of analysis and studies multiple conceptualizations. This dissertation aims to fill that gap in the literature by presenting a multi-level and multi-theoretical framework for analysis which identifies a series of observable factors categorized into two different levels (systemic and domestic) to account for the drivers and rationale of the adjustment in China's foreign policy and grand strategy.

This research aims to explore the rationale and motivations behind China's assertive turn in its foreign policy. To do so, it poses one overarching question and one specific case-oriented question: Firstly, how have domestic and systemic factors driven China's grand strategy and foreign policy adjustment in the Xi Jinping Era? And secondly, how has the Belt and Road Initiative contributed to such adjustment? The case study selected is the Belt and Road Initiative (BRI) following a single crucial-case rationale. By focusing on the BRI as the most-likely case, this research is able to obtain more observations of the adjustment and transformation of China's foreign policy.

To summarize, this research tackles the analysis of China's recent foreign policy adjustment as well as the study of its grand strategy in a context of interdependent and mutually reinforcing systemic and domestic factors. In doing so, it argues that China is undergoing a process of adjustment in its foreign policy that is driven by the interaction of systemic factors such as the changes in the global economy and the fluctuations in the international power structure, and of domestic factors such as regime preservation, the exhaustion of the development model and elite restructuring. Moreover, it sustains that the BRI is a central tool for the shaping and implementing of China's foreign policy in accordance with its grand strategy.

RESUMEN

En los años posteriores a la crisis económica global del 2008, el auge de las potencias emergentes entre las que se encuentra China ha contribuido a un cambio en el equilibrio de poder global desde el Oeste hacia el Este y continúa engendrando transformaciones importantes en el sistema internacional y la economía global. En este escenario, China es percibida como un actor cada vez más esencial en el mundo y en gran medida se le otorga un creciente interés a su proyección externa, así como a su política exterior y al alcance y papel de su gran estrategia. Los recientes debates al respecto de la naturaleza y el impacto de la política exterior de China han suscitado preguntas sobre las formas en las que China está desarrollando un perfil internacional más proactivo y aumentando sus capacidades para alcanzar sus objetivos diplomáticos y de política exterior.

El argumento principal de esta tesis es que la implicación de China en el mundo a través de su gran estrategia y su política exterior ha sido objeto de un proceso de reajuste estratégico con el objetivo de, en primer lugar dar respuesta a las aspiraciones de China como un actor con cada vez más poder, en segundo lugar de proyectar un perfil internacional más proactivo y de liderazgo, en tercer lugar de aumentar la influencia global que ostenta Pekín, y por último de gestionar los retos que surgen del propio auge de China. Esta tesis propone la hipótesis de la existencia de factores domésticos y sistémicos que influyen y orientan la gran estrategia china, así como el reajuste de su política exterior en la era de Xi Jinping. La contribución empírica de esta tesis explora la existencia de tres períodos en la evolución de la política exterior china: un período dogmático, un período pragmático y un período asertivo. Asimismo, analiza y da cuenta de las motivaciones y la razón de ser de la Iniciativa de la Ruta y la Seda en su función de herramienta de política exterior bajo el mandato de Xi Jinping.

Las contribuciones académicas han tendido en su mayoría a estudiar el auge de China desde un nivel de análisis u otro, bien sistémico o bien doméstico, en ocasiones focalizándose incluso en el nivel regional. Asimismo, la tendencia ha sido también la adopción de una aproximación teórica limitada a una de las principales teorías de Relaciones Internacionales. Esto, a su vez, genera estudios o análisis de cariz parcial o sesgados sobre el auge de China, que, si bien son de un

valor añadido para el debate, sufren de la falta de una perspectiva más exhaustiva que trascienda los tradicionales niveles de análisis y estudie múltiples conceptualizaciones. Esta tesis busca rellenar ese hueco en la literatura presentando un marco de análisis multinivel y multiteórico que identifica una serie de factores observables y los categoriza en dos niveles de análisis diferentes (sistémico y doméstico) para dar cuenta de los ejes impulsores y la razón de ser del ajuste de la política exterior china y su gran estrategia.

Esta investigación busca explorar la razón de ser y las motivaciones que sustentan el giro asertivo de la política exterior china. Para ello establece una pregunta general y una pregunta específica enfocada al caso de estudio: en primer lugar, ¿cómo han los factores domésticos y sistémicos guiado la gran estrategia de China y alumbrado el reajuste de su política exterior bajo el mandato de Xi Jinping? Y en segundo lugar, ¿cómo ha contribuido la Iniciativa de la Ruta y la Seda a dicho ajuste? El caso de estudio seleccionado es la Iniciativa pues responde al diseño de *crucial-case*. A través del estudio de la Iniciativa de la Ruta y la Seda, esta investigación es capaz de obtener un mayor número de observaciones que atestigüen con el ajuste y la transformación de la política exterior de China.

En resumen, esta investigación entabla el análisis del ajuste reciente de la política exterior de China, así como el estudio de su gran estrategia en un contexto de interdependencia y con la presencia de factores sistémicos y domésticos que interactúan. En este análisis, esta tesis argumenta que China está llevando a cabo un proceso de reajuste de su política exterior que se ve impulsado por la interacción de, por un lado, factores sistémicos tales como los cambios en la economía global y las fluctuaciones en la estructura de poder internacional, y por el otro, factores domésticos como son la preservación del régimen, el agotamiento del modelo de desarrollo y la reestructuración de las élites. Por último, esta investigación sostiene que la Iniciativa de la Ruta y la Seda es una herramienta central mediante la cual se da forma y se implementa la política exterior de China de acuerdo con su gran estrategia.

LIST OF ACRONYMS AND ABBREVIATIONS

AIIB	Asian Infrastructure Investment Bank
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
BRI	Belt and Road Initiative
CCFFA	Central Commission for Foreign Affairs
CCWRFA	Central Conference on Work Relating to Foreign Affairs
CIS	Commonwealth of Independent States
CIIS	China Institute of International Studies
CICIR	China Institutes of Contemporary International Relations
CCP	Chinese Communist Party
CDB	China Development Bank
CHEXIM	Export – Import Bank of China
CICA	Conference on Interaction and Confidence Building Measures in Asia
CMC	Central Military Commission
CNPC	China National Petroleum Corporation
CPI	Consumer Price Index
EEU	Eurasian Economic Union
EEZs	Special Economic Zones
ETIM	East Turkestan Islamic Movement
WTO	World Trade Organization
FPA	Foreign Policy Analysis
FDI	Foreign Direct Investment
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
IMF	International Monetary Fund
ISAF	International Security Assistance Force
KLP	Keeping a Low Profile
MOFA	Ministry of Foreign Affairs of the People's Republic of China
MOFCOM	Ministry of Commerce of the People's Republic of China
MOFTEC	Ministry of Foreign Trade and Economic Cooperation
MSR	21 st Century Maritime Silk Road
NATO	North Atlantic Treaty Organization

NDB	New Development Bank
NDRC	National Development and Reform Commission
OBOR	One Belt, One Road
ODI	Overseas Direct Investment
PPP	Purchasing Power Parity
PRC	People's Republic of China
SCO	Shanghai Cooperation Organization
SFA	Striving for Achievement
SOEs	State-Owned Enterprises
SoP	Sociology of Power
SREB	Silk Road Economic Belt
TIP	Turkistan Islamic Party
US	United States
URSS	Union of Soviet Socialist Republics
WB	World Bank

LIST OF FIGURES AND CHARTS

Figure 1. Continuity, transition and adjustment between foreign policy strategies	7
Figure 2. New Silk Road routes	114
Figure 3. Plot of loans granted under the One Belt, One Road	148

CHAPTER 1. INTRODUCTION: PUZZLE, THEORETICAL BACKGROUND AND METHODOLOGY

1. Presenting the Research

The first decade of the 21st century was marked by an unprecedented international financial crisis and significant changes in the configuration of global power dynamics. The rise of emerging powers such as China has contributed to the shifting balance of global power from the West to East and continue prompting significant transformations to the international system and the global economy. China is now the world's second largest economy by nominal Gross Domestic Product (GDP) and the world's largest in terms of Purchasing Power Parity (PPP). The country also ranks as the world's largest recipient of foreign exchanges reserves, and as the most significant single contributor to world growth (World Bank [WB], 2019a; International Monetary Fund [IMF], 2019). In light of this, one may expect that the current and upcoming decades of this century, will witness the completion of China's rise in economic terms, as well as in political, military, geopolitical, and even in technological terms. Undoubtedly, China's growing power will not only continue to shape the current international order, but also China's approach to domestic and foreign affairs will follow the pace of such transformations and their challenges.

Accordingly, China's grand strategy and foreign policy have undergone specific changes. Notably, the nature of Chinese foreign policy has been adjusted from pragmatic to assertive since the fifth generation of Chinese leadership with President Xi Jinping on the lead came to power in 2012. In the same vein, China's grand strategy of "peaceful development" (*heping fazhann* 和平发展) is being adjusted to this assertive approach, in order to meet China's growing power aspirations, to project a more proactive and leading international profile, as well as to increase Beijing's influence on global politics. This adjustment signals that now the new leadership has the intention of approaching international affairs from a global perspective, by performing a dynamic and engaging role on this matter, but also denotes Beijing's intention of building momentum for its domestic development and rejuvenation through China's external action. While in the literature it is widely accepted that such changes represent a complete turn in China's grand strategy and therefore, its foreign policy, this research argues that such shift entails more than

a rupture, an adjustment of China's grand strategy. Against this backdrop, this dissertation aims to explore the rationale and motivations behind China's assertive turn in its external behavior by addressing the following overarching questions: how have domestic and systemic factors driven China's grand strategy and foreign policy adjustment in the Xi Jinping Era? and how has the Belt and Road Initiative contributed to such adjustment?

This question arises from a theoretical puzzle that tackles broader questions such as what China wants (Legro, 2007; Nathan, 2011, Brown, 2017) and how China positions itself on the international system (Wang J., 2011; Pu, 2017; Gill B., 2007). It is also rooted in an extensive academic debate in the IR discipline about the rise of China and their implications to the international system (Buzan and Foot, 2004, Mearsheimer, 2006, 2010; Ikenberry, 2008; Deudney and Ikenberry, 2009; Foot and Walter, 2011); and the question of China having or not an articulated grand strategy in quest for great power status (Goldstein, 2005; Wang T., 2008; Zhang, 2012; Roy, 2014; Zhao, 2016; Clarke, 2017) if so, whether this strategy is "offensive" or "defensive" in nature (Yong, 2016) or just "contradictory" (Buzan, 2014). Recently, the debate has moved on to the question of how China's grand strategy is shifting considering Xi Jinping's ascendance to power and China's assertive turn in foreign policy (Zhu, 2012; Yan, 2014; Leverett and Wu; 2016). Building on the assumption that China has, in fact, an articulated and coherent grand strategy¹, this research attempts to contribute to the former debate by shedding light on the domestic and systemic factors that have driven China's grand strategy and foreign policy adjustment and the rationale and motivation behind such adjustment.

As defined here, grand strategy is as a coherent set of principles and ideas that underpin the rational employment of a state's power resources to attain its long-term strategic goals in relation to the prevailing international order². Accordingly, China's grand strategy does not only reflect the vision that Chinese political leadership has about China's current and desirable position in the international system but also articulates these principles into policies that embrace their

¹ Although China's grand strategy cannot be condensed to any single official document released by the Chinese government, from a post hoc scholarly rationalization (Zhang, 2012) and the analysis of a number of important official documents one may infer about the guiding principles of China's grand strategy.

² Building on a holistic approach we conceive grand strategy as a long-term political strategy, established to run during peacetime and wartime scenarios.

determination to harness diplomatic, political, economic, military and ideological means available to achieve China's long-term goals. Any country's grand strategy serves as an overarching framework to identify the country's long-term strategic objectives, the circumstances that threaten them, and how all national power resources can be used to achieve those strategic goals. A grand strategy also serves as the intellectual architecture that shapes and structures a nation's foreign policy. As Minar (2018) has claim, "grand strategy illustrates the rationale for undertaking foreign policy and help to set priorities of foreign policy to seek". [It] "dictates what kind of relations to be built with which region of the world and with which state through foreign policy", [and] "helps to discern strategic implication for foreign policy choices" (p. 22). In light of this, the grand strategy has a broader scope than foreign policy, as it provides the conceptual framework for foreign policy making and implementation, while foreign policy involves a concrete set of actions or policy outcomes expressed through several initiatives such as diplomacy, foreign aid, and military actions.

In order to situate our research question and framework for analysis in the existing literature, it is worth noting addressing the scholarly contribution offered in the mainstream IR theories to account for the driving factors of China's grand strategy. From a realist perspective, the security and power dynamics inherent to the anarchical nature of the international system are considered the primary factor in shaping China's grand strategy. The liberal account, for its part, accepts the realist assumption of an anarchical international system but it is mainly focused on inter-state interdependence and economic and institutional incentives as factors that explain a country's grand strategy. In this sense, China's grand strategy is constrained by its compliance with the existing norms and international institutions insofar as Beijing continues on the track of its domestic modernization and becomes more economically interdependent. Lastly, the constructivist account is primary focused on social constructions and stress the elite's perceptions, discourse, visions, and beliefs as critical factors in determining China's grand strategy. Accordingly, China's grand strategy would be mainly motivated by the Chinese elite's perceptions, discourse, and the country's identity.

Although the mainstream theories (particularly realism and liberalism) have a dominant position in the scholarly debate on China's grand strategy, one may not consider either that security and power dynamics, economic interdependence and

institutional incentives are solely sufficient, or that social constructions and identity as primary explanatory factors in shaping China's grand strategy. The realist and liberal tradition, center their attention in the state and its material capabilities, overlooking the importance of domestic politics, the internal power dynamics and the ideational factors at the domestic level that drives the grand strategy and foreign policy. Therefore, each theoretical approach alone is not sufficient or entirely suitable for a comprehensive understanding of the motivations behind China's international strategy and its driving factors. While these theories may be considered as competing approaches, they complement each other. In light of this, this research attempts to present a multi-theoretical and multi-level of analysis framework that allows to account for the systemic and domestic factors that have driven the adjustment of China's grand strategy and foreign policy since 2008, which the further purpose of understanding the rational and motivations behind such adjustment.

Accordingly, a suitable approach to understand the logic and driving factors of grand strategy must consider the interplay between domestic and systemic factors, and should not prioritize any of them (Feng, 2012). Thus, in order to provide additional explanations of the strategic adjustment of China's foreign policy and grand strategy, this research provides a synthetic approach to bridge the gap between the systemic and domestic levels of analysis by considering both set of factors as equally relevant, and more importantly, as a set of factors that at the empirical level interact and have a mutual feedback. Thus, our framework for analysis aims at explaining the strategic adjustment of China's grand strategy and the assertive turn in China's foreign policy by postulating a set of factors that emerge through the analysis of the changes at the systemic level since 2008 to the present time and the domestic circumstances that have informed China's foreign policy. To do so, we have categorized two set of factors, on the one hand, the systemic factors which involve: a) the structural changes in the global economy, and b) the fluctuations in the global distribution of power resulting from the 2008 global financial crisis. On the other hand, the domestic factors which involve namely: a) the regime preservation and the CCP's legitimacy, b) the exhaustion of China's development model, and c) the elite restructuring.

The analytical categorization of these factors is embedded on the mainstream IR theories, but also incorporates other explanatory tools drawing from supplementary theoretical perspectives such as Critical Theory, Foreign Policy

Analysis (FPA) and the Sociology of Power (SoP), which is understood in this project not as a theory but as an ontological toolbox from which to draw in order to create a conceptual category that accurately depicts aspects of China's domestic factors. Although, there are few studies in the IR field about Chinese foreign policy, most of them are framed in the premises of the neoclassical school. Hence, through the presented framework of analysis this research attempts to tackle the following empirical and theoretical objectives: (1) to establish the conceptual system of categories that allows for data classification; (2) to connect the obtained results with the research puzzle and questions; (3) to bridge the gap between the domestic and international levels of analysis in the wider field of International Relations and FPA; (4) to consider the contribution of Critical Theory, which offers an appropriate frame for examining the subject of China's role in international relations by providing the link between the internal power dynamics and its external projection; (5) complement the above theoretical frameworks with the perspective of Sociology of Power.

In order to elucidate how China is adjusting its grand strategy, and the rationale behind the assertive turn in Beijing's foreign policy, the Belt and Road Initiative (BRI) has been selected as a case study of this research. As we will tackle in the chapters of this dissertation, China's BRI is President Xi Jinping's signature foreign policy initiative. He named it the "project of the century" regarding the overall policy areas covered by the initiative (infrastructure, connectivity, trade, finance, transportation, technological innovation and people-to-people exchange). A further interpretation of the expression "project of the century" envisions the global scope of the initiative, in terms of its geopolitical implications, and the impact that it will have on both the configuration of international trade and global power dynamics. The project involves 68 countries, which account for the 62.3% of the world's population, 30% of the world Gross Domestic Product (GDP), 55% of the world Gross National Product (GNP) and 75% of known energy reserves (Chin and He, 2014). The initiative comprehends, both the "Silk Road Economic Belt" (SREB), and the 21st Century Maritime Silk Road (MSR), as respectively land and sea routes aiming at connecting China to Africa, and Europe.

As argued in this research, the BRI as a case study shows a shift in both China's grand strategy and foreign policy, entailing its adjustment from a pragmatic to an assertive stance in China's international behavior. China is no longer a spectator or stakeholder of the international order; China is pursuing global leadership. Beijing is

building its path to global leadership through the BRI and striving for the completion of its rise as a great power. Hence, the BRI serves as an instrument to adjust China's grand strategy to shape, more assertively and proactively, a favorable international environment to China's socio-economic development, and to enhance China's global influence. Furthermore, the BRI responds to China's international and domestic agenda. The initiative arises in a remarkable moment for China to use its growing economic power and political leverage to promote its foreign policy goals, but also in a moment in which China is facing significant domestic challenges. The fifth generation of Chinese leadership has to face with sustaining economic growth in a moment in which China's exported-oriented growth model is showing signs of exhaustion and a significant overcapacity problem. In light of this, the BRI aims at providing new investment opportunities for the Chinese state-owned enterprises (SOEs); sustaining the second wave of economic reforms in order to deal with the overcapacity problem and addresses the economic imbalance and disparities between the coastal region and the western area of the country. Since sustaining economic growth is at the core of the CCP's legitimacy, the country's overall political and social stability, and in turn, the regime preservation, the BRI constitutes not only a pivotal part of China's foreign policy but also the avenue to reach China's grand strategy goals.

However, the BRI faces internal and external challenges regarding their implementation. As discussed in the Chapter V of this research, the initiative lacks from a consolidated inter-organizational and central-local coordination mainly due to its cross-policy character. Therefore, many aspects of the policy are being formulated and implemented at a different pace and at different levels of the government, involving a large number of actors and interests which can often be contradictory. In the long run, this lack of internal coordination and coherence may weaken the progress already made and jeopardize the scope of the BRI in terms of achieving China's grand strategy goals. Externally, the responses to the initiative have been mixed. Despite China's promoted vision of the BRI as an "open, inclusive and transparent project" (Yang Jiechi as cited in Ministry of Foreign Affairs of the PRC [MOFA], 2019), the initiative has arisen suspicious and concerns about the alleged lack of transparency related to the project development, resources allocation, and the risk for the participant countries to be in debt distress. Hence, by taking the BRI as a case study this research is also attentive to the analysis of the deployment of the initiative in a pivotal region comprising the Chinese periphery as Central Asia does,

as well as the external challenges that may jeopardize its successful implementation, as discussed in Chapter VI.

This thesis argues that under Xi Jinping era, China is adjusting rather than completely changing its grand strategy. Thus, framed on the “China Dream” narrative, China’s grand strategy of “peaceful development” – considered in nature as a pragmatic strategy- is being adjusted to an assertive nature, in order to meet China’s growing power aspirations, increase Beijing’s worldwide influence, and exert a leading international profile. In light of this, China’s long-term goals remain relatively constant but the means how to achieve are changing in significant ways. This adjustment involves the continuity of some longstanding foreign policy features from the previous eras such as the link between a peaceful external environment and domestic development, along with the inclusion of new concepts such as a “new type of international relations” (*xinxing guoji guanxi* 新型國際關係) and a “new type of major country relations” (*xinxing daguo guanxi*, 新型大国关系). As a foreign policy initiative, the BRI signals China’s assertive turn in foreign policy. The initiative gives a comprehensive framework to the diverse plans and policies intended to address China’s domestic issues and to succeed foreign policy objectives, but also functions as an instrument to adjust China’s grand strategy to shape a favorable international environment to China’s socioeconomic development, to strengthen China’s role on the global stage, and to accomplish the country’s overall goals.

Having said that, this research’s contribution is twofold: Firstly, at a theoretical level, to assess and depict China’s assertive turn in foreign policy in the Xi Jinping era and to do so by providing a multi-level and multi-theoretical framework of analysis. In doing so, this project bridges the gap between the systemic and domestic levels of analysis in the wider field of International Relations. Secondly, at an empirical level, this research aims to contribute to the study of new and unexplored cases of study such as the Belt and Road Initiative, its positioning with regard to China’s grand strategy, its role in the foreign policy adjustment and its implementation in pivotal regions for Chinese interests.

1.1. The Rise of China as a Global Power

Over the last three decades of the twentieth century, the world has witnessed the rise of China into the global economy. The “reform and opening – up” policy

(*gaige kaifang* 改革开放) initiated in the late 1970s by President Deng Xiaoping, drove the country to decades of sustained economic growth and triggered the transition of a rural and isolated China into the world's second largest economy. The implementation of the reforms was the starting point to China's gradual opening to the global economy and its consequent economic liberalization. A deep restructuring of the political order after Mao Zedong's death, and the execution of unprecedented economic policies laid the foundations that in the first decade of the 2000s would convert China into the world second largest economy. China's accession to the World Trade Organization (WTO) in 2001 was an essential element for its definitive opening to the free market and positioning as a significant actor in the global economy. After this accession, China moved from the sixth position in the 2001 global ranking to the third in 2007, and the second in 2010, and transformed itself from being a regional economy to become a global one. Thus, the successful formula of economic liberalization and one-party authoritarianism – from the second to the fourth generation of Chinese leadership- made the country a world economic leading force, yet this economic growth was tied to the imperative of having a greater say and undertake a more prominent role in international affairs.

In this regard, president Hu Jintao (2002-2012) started to implement a proactive and pragmatic foreign policy to set the basis of China's rise as a global power. Although Hu followed the "keeping a low profile" (*tao guang yang hui* 韬光养晦) foreign policy strategy adopted by Deng in the early 1990s, China's foreign policy turned to a more self-confident one, aimed to resolve its rising power aspirations by the logic of protecting China's "core interests" (*hexin liyi* 核心利益). Thus, issues such as China's national security, national sovereignty, territorial integrity and the continued stable development of China's economy and society were established as "core interests". As China has assumed a more assertive and influential position on the international stage, the concept of core interests has been evolving and being increasingly used in official documents and statements. In 2009, the former Chinese State Councilor Dai Bingguo made the first structured reference to this term by remarking the preservation of China's basic system and national security, the maintenance of national sovereignty and territorial integrity, and the safeguard of China's sustainable economic and social development as core interests. Later on, in 2011, the core interest of national reunification was added to the interests listed above.

One may argue that Chinese foreign policy during Hu's era paved the way for China's rise as a global power, but it also meant a transitional period between the "keeping a low profile" foreign policy strategy to that of "striving for achievement" (*fenfa youwei* – 奋发有为). In October 2013 at the Foreign Affairs Conference of the CCP President Xi Jinping presented this strategy. His speech established a shift in China's foreign policy and diplomacy, now synthesized in a more assertive approach. The "striving for achievement" strategy turns out to be the foreign policy dimension of Xi Jinping's vision of the country in the frame of the "China Dream" (*Zhongguo meng* 中国梦) narrative. This dream gathers China's national rejuvenation and its full aspiration to restore its great power status. As Xi has expressed, "the China dream is the inner meaning of upholding and developing socialism with Chinese characteristics". Its essence was "a rich and powerful country, revitalizing the nation and enhancing the well-being of the people" (as cited in Ferdinand, 2016, p. 946). Since the Hu-Wen era, China's core interests have been anchored to China's "peaceful development" strategy, nowadays with Xi Jinping's ascendance to power, these core interests are also framed in the "China Dream", as the core concept of China's grand strategy. Such adaptation involves the setting up of long-term strategic goals such as the positioning of China as a global leader in terms of development, innovation and military power.

China's view as a rising power has also been denoted by other members of the fifth generation of leaders. Wang Yi -the Chinese Foreign Minister- has outlined China's foreign policy vision referring several times to China's new diplomacy as a "great power" or "major power" diplomacy. Unlike the Hu Jintao era, the new Chinese leadership is cautiously open to call China great power or major power. It is expected that the current and upcoming decades of the twenty-first century, will witness the completion of China's rise, not only in economic terms, but in political, in military, and even in geopolitical terms. Indeed, the economic rise of China is only one of the axis of the rise of China to its great power status. As Zhu Feng has pointed "the process of China's rise is not only a process of the rise and expansion of China's national strength, but also a process in which China needs to be recognized, accepted and integrated to the international order (...) it is China re-established firmly in the international system" (Global Times, 2012). Additionally, the completion of China's rise as a global power is at the core of achieving the ultimate goal of the Chinese rejuvenation (Interview #3). Nowadays, China is not only a global economic power, but also it has become in one of the major axes of power that leads the

current international order. In the hands of the fifth-generation of Chinese leaders headed by Xi Jinping, China is looking for its right place in the world and the achievement of the so-called "China Dream". In light of this, the more China rises, the more significant becomes to the IR field, understanding China's grand strategy and foreign policy in the 21st century.

1.2. The Belt and Road Initiative

A step forward in China's rising path is the launching of the "One Belt, One Road" initiative (*yidai yilu* 一帶一路; OBOR, rebranded in 2015 as the "Belt and Road Initiative", BRI) by Chinese President Xi Jinping in 2013. The BRI comprehends two separate routes. On the one hand, the "Silk Route Economic Belt", which was officially announced in September 2013 by President Xi Jinping during his speech at Kazakhstan's Nazarbayev University. Xi stressed the centuries of interaction and cooperation between China and Central Asian countries under the Ancient Silk Road and envisioned the present time as a golden opportunity Sino-Central Asian relations. Against this backdrop, Xi introduced the SREB as "an innovative approach (...) to forge closer economic ties, deepen cooperation and expand development space in the Eurasian region" (MOFA, 2013). On the other hand, the "21st Century Maritime Silk Road" which was jointly announced with the establishment of the Asian Infrastructure Investment Bank (AIIB) in October 2013 during President Xi speech at the Indonesian parliament.

The first policy basis of the BRI can be found in two official documents. Firstly, on the *Decision of the Central Committee of the Communist Party of China on Some Major Issues Concerning Comprehensively Deepening the Reform*, issued in November 2013. In this document the BRI was adopted by the Party Leadership as a pivotal policy to foster the opening-up of the inland and border areas of the country, by building infrastructure connections and new transportation routes between China and its neighboring regions. Secondly, the *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*, jointly released by different governmental entities³ in March 2015. This document has been considered as the BRI blueprint since it outlines a comprehensive plan of the project regarding its aims,

³ National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, with State Council authorization.

framework, policy priorities, and cooperation mechanisms that underpin the initiative. As far as the overarching aim of the initiative is concerned, the BRI aims:

to promote the connectivity of Asian, European and African continents and their adjacent seas, establish and strengthen partnerships among the countries along the Belt and Road, set up all-dimensional, multi-tiered and composite connectivity networks, and to realize diversified, independent, balanced and sustainable development in these countries (National Development and Reform Commission [NDRC], 2015)

Accordingly, the SRB links the western and central regions of China and western Europe via Central Asia, West Asia, the Middle East and Eastern Europe through six economic corridors: the new Eurasia Land Bridge, the China–Mongolia–Russia, China–Central Asia–West Asia, China-Indochina Peninsula, China-Pakistan and, Bangladesh-China-India-Myanmar. While the MSR was originally designed to go from the Chinese coast to Europe through the South China Sea, the Indian Ocean, the Suez Canal and the Mediterranean Sea; in 2015 the south line of the MSR was extended to the South Pacific (Chen, 2015).

Therefore, the BRI attempts to build an interconnected network of maritime and land-based economic routes, running from the western pacific to the Baltic Sea by putting forward “hard” and “soft” infrastructure projects. Hard infrastructure projects have been focused on the sectors of transportation (railroads, ports, highways, air transport); energy (oil and gas pipelines, power plants); and IT and communication (cross-border optical cables, spatial satellites). As far as “soft” infrastructure projects are concerned, the adoption free trade cooperation agreements, the establishment of special economic zones and the reduction of tariffs, has been set up (Rolland, 2019). In order to implement those projects, an estimated budget of US\$1 trillion has been disposed. Although AIIB is often considered as the main source of financing, most of the financing is being made from the China Development Bank (CDB) and the Export-Import Bank of China (CHEXIM) (Interview #16). In 2015, the CHEXIM and the CDB had respectively financed 2057 projects in 49 nations and 400 projects in 48 countries (Aoyama, 2016).

The geographical scope of the BRI has been changing since their launching. In 2016 the initiative involved 68 countries. However, a recent report states that around 125 countries and 29 international organizations have signed cooperation

agreements under the initiative's framework (China Daily, 2019). Furthermore, the BRI is put forward in a perfect moment for China to use its growing economic power and political influence to promote its foreign policy goals. Because of this, the BRI can hardly be viewed as a typical initiative but should be understood rather as central piece in China's grand strategy as rising power. In light of this, this thesis argues that the BRI not only aims at giving a comprehensive framework to the diverse plans and policies intended to address China's domestic issues and to succeed foreign policy objectives, but also functions as an instrument to adjust China's grand strategy to shape a favorable international environment to China's socioeconomic development, to strengthen China's role on the global stage, and to accomplish the country's overall goals.

Hence, the selection of the BRI as a case study of this research allows at the methodological level to conceptualize said foreign policy and grand strategy adjustment, while at the empirical level serves as evidence to demonstrates the implementation of a more assertive foreign policy. Furthermore, this research is also attentive to the analysis of the deployment of the BRI in Central Asia as a pivotal region regarding China's long-term goals. Central Asian countries should not be seen as recipients of policies, but as the terrain in which they materialize, transform and in turn, shape China's grand strategy. Therefore, the BRI will be addressed as an instrument to project China's interests in Central Asia and capitalize on the region's needs for investment and infrastructure. Furthermore, the BRI initiative turns out to be a novel case given its recent creation. Although there is an increasing interest in the academia on this topic, most of the scholarly contributions are usually focused on their geopolitical implications, in how the institutions promoted by the initiative such as the Asian Infrastructure Investment Bank, will challenge or complement the current international order, and whether China is promoting a new model of globalization (Interview #10).

2. Research Puzzle

China's rise has fundamentally contributed to the shifting balance of global power and prompting significant transformations in the international system. To a large extent, China's increasing economic and political power has altered the power structure and the parameters that have defined the post-Cold War international order. Heading by three decades of double-digit economic growth that led to the transition of a rural and isolated China into a US\$ 13 trillion globalized

economy; China has become the world's second largest economy, the world's largest trading nation, the world's second recipient of foreign direct investment (FDI), the world's largest recipient of foreign exchanges reserves, the largest foreign holder of the US federal debt (US\$ 1.1 trillion), and since the global financial crisis in 2008, Beijing has remained as the largest single contributor to world growth (WB, 2019; Congressional Research Service, 2019). Furthermore, China stands out as a major source of funding, since the 2000s have provided approximately US\$ 1 trillion in financing to foreign governments through the CDB and the CHEXIM (Gallagher, 2018).

China's economic growth walks hand in hand with a 21st-century-China erecting an active international profile and becoming more capable of accomplishing its foreign policy objectives through its global economic and diplomatic engagement. As Chan (2013) has argued, China's worldwide increasing engagement along several fields, results in an emerging trend that "shows a shift of China's role from passive adherent to the existing global order to an increasingly participatory and to some observers, aggressive stakeholder in the international system" (p. 106). Since President Xi Jinping's took office, China's grand strategy and foreign policy have undergone strategic adjustments to meet China's growing power aspirations, project a more proactive and leading international profile, increasing Beijing's worldwide influence, but also to cope with the complex challenges that the rise of China has brought in.

Indeed, China's economic rise has prompted a set of internal and external challenges that the fifth generation must address in order to drive China toward its long-term goals, and fulfil the great "rejuvenation of China" (*zhenxing zhonghua* 振兴中华). At the domestic level, sustaining economic growth, ensuring socio-economic development, implementing the reform, fighting against corruption, preserving social stability and the CCP's legitimacy, can be acknowledged as the fundamental challenges that Chinese leaders have to face⁴. Although the past generation of Chinese leader had also to face these challenges, the question of sustaining economic growth is beyond critical for the actual leadership (Interview #14 and #18). Despite the impressive statistics surrounding China's economic rise vis-à-vis global economy, since 2012 the annual real GDP growth rate has been

⁴ See Ross, R. and Bekkevold, J. (Eds.) (2016). China in the Era of Xi Jinping. Domestic and Foreign Policy Challenges. Washington, DC: Georgetown University Press.

gradually sliding from the 9.3% in 2011 to 6.9% in 2017, the slowest rate experienced since the reform and opening-up (National Bureau of Statistics of China, 2013, 2018). As we will address later -in the framework of analysis, and chapters V and VI of this dissertation- China's export-oriented development model, based on the vast investment on fixed assets and low-skilled and labor-intensive manufactured products has reached its limits. Hence, a priority for the current Chinese leadership is to foster the reform towards the establishment of a new model to support economic development, based on consumer-driven demand and higher value-added production, although this implies a slower GDP growth.

At the international level, as China continues to rise, it will be essential for the country to get involved in global governance issues; as fact, the fourth and fifth generation of Chinese leadership have done. One of the reasons behind this stance, is that China has sustained its economic rise through their insertion and compliance with the economic and political institutions underpinning the liberal order. Therefore, Beijing has an interest in not disrupting the stability of the extant international system, but also has claimed for a reform of the global governance structures and taking the initiative of creating new institutions (i.e. the New Development Bank (NDB) and the AIIB) that are often seen by the West as an attempt to challenge the current international rules (Interview #1). Furthermore, China's proactive stance towards international affairs and its assertive turn in foreign policy has come along with the emergence of uncertainties concerning China's intentions, especially in those regions with a longstanding presence of other major powers such as the US. Moreover, Beijing's military rearmament, increasing military spending, has given rise to concerns about China's strategic intentions. As Christensen (2015) has argued: "China's military modernization concerns American strategists because Beijing has intelligently focused its development on new capabilities that expose U.S. forces deployed far from the United States and close to China to various risks" (p. 96).

In this context, it is worth noting that current Chinese leadership distances from the previous leadership in terms of their strategic thinking. Since 2012, Xi Jinping and the rest of the Chinese elite has detached from the "small-country" mentality to adopt a "big- country" mentality (Li, Y. 2017). Therefore, this new generation of Chinese leadership envisage China's international position and the way to cope with those domestic and international challenges under the framework of this "big-country mentality". In 2017, the Chinese president announced a "new era" on

China's rising path, and stressed Beijing's confidence and capability of restoring China to its rightful place in the world as a major power. During his speech at the 19th National Congress of the CCP, Xi claimed that China is "closer, more confident, and more capable than ever before of making the goal of national rejuvenation a reality" (*Xinhua*, 2017a). Furthermore, by the middle of this century, the paramount leader forecast the country, as a "global leader in terms of composite national strength and international influence" (2017a). Therefore, China's leadership unequivocally intention of reinstating China's great power status and being recognized as such by the international community signals Beijing's efforts to project China as a decisive international actor, as well as the assertive feature of its new leadership.

In light of the previous, the launching of the China's Belt and Road Initiative - labelled by Xi Jinping as "the project of the century"- (*Xinhua*, 2017b), responds to the need to address those domestic and international challenges that the new leadership has to face. On the one hand, the BRI is being used as an instrument to cope with domestic economic and political concerns, especially in a moment when China's economic model is approaching exhaustion and overcapacity, which in the long run, may jeopardize the CCP's legitimacy and the country's social and political stability. On the other hand, the BRI signals the adjustment in China's foreign policy and grand strategy, inasmuch as it denotes the intention of the new leadership of dealing with international affairs through a more self-directed and looking-forward foreign policy approach. Finally, the initiative aims at building momentum for China's national rejuvenation, and therefore, the completion of its rise as a global power. Drawing from these assumptions, this thesis poses the following set of research questions and hypothesis.

2.1. Research Questions and Working Hypothesis

As previously stated, this research aims at exploring the rationale and motivations behind China's grand strategy and foreign policy adjustment under president Xi Jinping era, and the role of the BRI in such strategic adjustment. In order to advance on this aim, this research will depart from the following overarching research questions, which are linked to the research aims and working hypothesis posed in this study.

Research question 1:

How have domestic and systemic factors driven China's grand strategy and foreign policy adjustment in Xi Jinping Era?

General Aim:

This research question tackles the overall aim of the dissertation which is to explore the rationale and motivations behind the adjustment of China's grand strategy and its foreign policy since president Xi Jinping took power. To do so, this research attempts to account for the factors that have driven such adjustment by posing an analytical framework that merges the international and domestic level of analysis. Additionally, this research aims at filling the existing gap in the literature regarding the explanatory factors of a state grand strategy and particularly China's grand strategy. Therefore, this research question has a theoretical relevance and its tackling will provide an essential part of the theoretical contribution of this study.

Hypothesis 1:

The strategic adjustment in China's grand strategy and foreign policy has been driven by the synthesis of domestic and systemic factors. Structural changes in the global economy and fluctuations in the relative distribution of power at the international level work as systemic factors perceived by the Chinese decision-making structures in the form of risks or opportunities. Systemic factors are catalyzed by a set of domestic imperatives as regime preservation, the political survival of the CCP, and their leadership. Thus, the interplay and feedback between both systemic and domestic factors, result in the exercise of stronger leadership, leading to the adjustment of the grand strategy concerning strategic means, and the setting-up of an assertive and self-directed foreign policy. This hypothesis will be addressed along the chapters that comprehend the fundamental part of this dissertation.

Research question 2:

How has the Belt and Road Initiative contributed to China's grand strategy and foreign policy adjustment?

Aims:

This research question aims to facilitate an empirical approach to China's grand strategy and foreign policy adjustment. To do so, this research address firstly, the evolution and context of China's grand strategy during the post-revolutionary era; secondly, the adjustment from a pragmatic to an assertive foreign policy strategy; thirdly, the logic and motivations underpinning the BRI; fourthly, the rationale behind the BRI engagement in Central Asia in the context of China's grand strategy; and fifthly, the motivations and challenges stemming from the policy-making and implementation of the BRI both internally and externally. Through the analysis of these topics, the presented chapters seek to (1) show the BRI's role as a rational response of the Chinese leadership to various risks and opportunities stemming from domestic and systemic transformations; (2) determine the nature of the adjustment in foreign policy from a pragmatic to an assertive strategy in the context of the Chinese grand strategy; (3) analyze other possible motivations and rationales behind the BRI's implementation and to evaluate the BRI's impact vis-à-vis the foreign policy adjustment. Therefore, this research question will empirically contribute to the study of China's grand strategy and foreign policy adjustment.

3. Theoretical Backdrop: The Debate on China's Rise and Grand Strategy

This section aims to present the theoretical explanations about China's rise and its grand strategy. Concretely, we will focus the literature's review on presenting the different concepts that will be useful to structure our framework of analysis. In consequence, it will be necessary an overview of how the scholarly debate about China's rise has evolved, with careful attention to those explanations which describe China's grand strategy and its driving factors. Such an assessment will not only allow to put into perspective the different explanations about China's grand strategy but also identify the gaps they may have. Moreover, this section provides an overview of our research topic through the lens of the mainstream IR theory, but also provide new insights by the incorporation of other explanatory supplementary theoretical perspectives that have not addressed the question of the rise of China but may offer new insights about it (i.e. the Sociology of Power)

Since this research attempts to present a framework of analysis that bridge the gap between the domestic and international levels of analysis in the broader field of International Relations and Foreign Policy Analysis (FPA), we deal with two

sets of literature: Theories of International Relations and Theories of Foreign Policy. The first one provides the theoretical grounds to precise the explaining factors in driving a country's grand strategy; however, this approach only takes into account the systemic level of analysis, and therefore prioritizes those factors. For this reason, we consider necessary to resort to the theories of foreign policy in order to account also for the domestic factors that affect the course of a state's grand strategy and explain foreign policy change.

To this effect, it is our interests to study the question of China's rise, by analyzing the different bodies of literature. One part of them deals with the issue of China becoming a great power and its meaning, and the other deals with the impact that the rise of China is having in the international order. The arguments exposed by each side tend to be related to different theoretical schools in IR, sustaining a debate centered around questions such as what kind of great power China is (Johnston, 2003); if it will rise peacefully (Mearsheimer, 2006); what the implications of that rise are; and whether the rise of China challenges the global US hegemony (Layne, 2008). Consequently, each theoretical school gives different answers, arguments, and conclusions.

In general terms, among Western scholars, the literature review on the question of China's rise suggests the existence of three main arguments. The first one claims that the rise of China entails competition between this country and the US in the economic, military, and technological spheres. Consequently, this potential conflict between the two nations would result in a change of the international order and its institutions. The second one argues that through the engagement of China with the liberal institutions and its socialization, its behavior will tend to be modified and consequently adjusted to these institutions, resulting in a China that will not seek to change the existing international order. Finally, there are those maintaining that, since China needs more than economic development to become a great power, it does not represent a real challenge for the international order.

On the other hand, Chinese scholars and the official narrative of the government itself has also made significant contributions to this debate. This part of the literature points out the rise of China as a long-term historical process that involves the "rejuvenation of China" (*zhenxing zhonghua* 振兴中华), which means that China is regaining its international status through the strengthening of its

comprehensive national power (Yang, X. 2001; 2006). As we have already seen, in the official narrative contained in Chinese White Papers and some speeches from Chinese leaders, the rise of China was conceived first as a "China's peaceful rise" (*Zhongguo heping jueqi* 中国和平崛起), being later modified to "China's peaceful development" (*Zhongguo heping fazhann* 中国和平发展). According to this, China's development path will differ from those taken by other rising powers characterized by the aggression and military expansion as a means to ascend.

The study of the existing literature allowed not only assessing the current answers about this topic but also defining their ambiguities and gaps. Consequently, we were able to clarify some questions answered by this research. This method helped us to fill the vacuums left by the existing approaches and suggested to apply others that are introduced here. Therefore, we have focused the following section on discussing the arguments to sustain why the previous studies about China's rise seem incomplete and full of gaps.

3.1. The Realist Account and the Emergence of the "China Threat Theory"

The main idea of the realist approach assumes that the international system is essentially anarchic. Sovereign states are the primary players and behave as rational agents, defining their interest in terms of power, and pursuing to maximize the benefits. The absence of a central authority leads to each state to survive on its own in a self-help system where each state has to struggle for power (Morgenthau, 1973; Waltz, 1979). Power understood as "the ability to influence the behavior of others in accordance with one's own ends" (Organsky, 1958, p. 104) is the critical variable that shapes international behavior. Therefore, states' vital aim is to maximize their relative power to overwhelm other state's position (Mearsheimer, 1994-1995). Conflict among states is then an inherent property of the system. Nonetheless, cooperation between states can occur as long as it serves to maximize the self-interest.

Based on these assumptions, some realist scholars have argued that China's rise will lead to the establishment of a new distribution of power which poses a threat to the US global hegemony and the liberal order that sustains it. Using historical analogies, John J. Mearsheimer (2006), claims that "an increasingly powerful China is also likely to try to push the United States out of Asia, much the way the United States

pushed the European great powers out of the Western Hemisphere. We should expect China to come up with its own version of the Monroe Doctrine, as Japan did in the 1930s" (p. 162). According to this, China would be a threat to the US leadership which is structurally determined to be undermined by China as a rising power. Other scholars use the logic that "emerging powers tend to disrupt fragile balances and destabilize the global order" (Breslin, 2010, p. 53). Applying this principle to the case of China, means that Beijing will challenge the hegemonic position of the US and will disrupt the international status quo (Mearsheimer, 2010).

With a similar argument, Cristopher Layne (2008) has maintained that due to the "power transition effect," the ascending powers tend to challenge the hegemon's position in the international system, making war very likely. In this sense, the peaceful rise's doctrine is considered by the author as "a reassurance strategy employed by Beijing in an attempt to allay others' fears of growing Chinese power and to forestall the United States from acting preventively during the dangerous transition period when China is catching up to the United States" (p. 16). Thus, China is viewed as the next great power given the vacuum left in the international system after the disintegration of the URSS and the withdrawal of US military forces in Asia.

To fill this gap, China will increase its role in this region, transforming itself from a powerful player to a challenger of the status quo. Indeed, Roy (1994) has stated that due to the decreased US military power in Asia; Japan's weaknesses to maintain its level of economic power and the potential and strength of China's economy; China represents the greatest long-term threat to Asia-Pacific security. In this sense, China is "more likely to be assertive and uncooperative" (p. 165) and to position itself as a new hegemon in the region. Hegemony and hostility are considered natural outcomes in the realist theory. Thus, the narrative of the "China's peaceful development," and "China never seeks hegemony," together with similar reasonings are just a set of intentions. For neo-realists, the behavior of a great power is determined not by its intentions but its capabilities (Walt, 1987).

The arguments and predictions posed by these group of scholars comprise the statements that constitute the "China Threat Theory." They rest on a realist comprehension and resort to the historical analysis as a method to sustain their arguments. In summary, they argued that the rise of China will lead to a structural change in the international system based on the following reasons: a) emerging powers tend to be revisionist states; b) reversing its decline, the US will try to balance

and contain China, and c) a military conflict is likely, although its nature, timing, and dimensions are unknown. Nevertheless, these assumptions do not correspond with the empirical evidence of China's rise. Although China and United States have had tense relations through the years and considering China's recent assertive turn, after the Cold War we have not seen a strong competition between Beijing and Washington nor China's revisionist strategy. Structural realists have predicted this fact for decades; thereby they defend themselves arguing that China is still not powerful enough to assume an openly revisionist role in our days.

While this approach seems to offer reasonable arguments to understand the rise of China, there are some ambiguities and difficulties within. Firstly, it employs a broader theoretical framework based on historical analogies about rising western powers instead of looking at the particular nature of China's rise. Accordingly, the predictions of these scholars result in the application of parallelisms between the historical performance of rising powers from the West and China. Consequently, the particularity of the Asian experiences and China's own ideological, political, and economic path to ascend are left aside. Indeed, the state-centric focus of realism ignores the impact that domestic politics has in the international system. In his work about how East Asia is responding to China's rise, David Kang (2007) has explained that China had in the past the opportunity to contest its neighbors through military actions and increase its regional power, but it has chosen not to for political reasons.

Secondly, this approach understands great powers in terms of material capabilities, referring to state's "size of population and territory, resource endowment, economic capability, military strength, political stability and competence" (Waltz, 1979, p. 131). Additionally, those predictions arise from excessive attention to the states' interests, asking for what they should do to maximize benefits and which material capabilities are needed. Whereby, authors ignore the ideational dimension of power. Thirdly, they offer a theoretical analysis based on the possible behaviors rather than supporting these predictions on China's actual behavior.

3.2. The Liberal Account

Though neoliberals agree with the realist assumption that the international system is anarchic, they disagree with the idea that it is the source of conflict rather than the political and economic interdependence. The liberalist thesis explains states'

behavior as the outcome of shared interests, the pursuit of absolute gains, interdependence, and also —which facilitates interstate cooperation— the international institutions' strength and autonomy. Hence, by posing the thesis of “complex interdependence” Keohane and Nye reversed the realist assumptions that “(1) states are the only significant actors, (2) security is the dominant goal, and (3) force is the dominant instrument” (2012, p. xvii). To these scholars, the international system is determined by complex interdependence, which refers to situations characterized by reciprocal effects among countries, as a result of international transactions such as flows of money, goods, people, and messages across international boundaries (Keohane and Nye, 1977, pp. 8-9).

According to some liberals, China has continually taken part in this process of complex interdependency. Findlay and Watson (1997) claim that “China's interaction with the world economy has created a level of trade interdependency that has transformed both China's international role and how the rest of the world relates to China” (p. 107). To maintain its economic growth and deepen its liberalization, China has become more dependent on the rest of the world, while the world has become more dependent on China in terms of economic growth and development.

Liberalism also puts forward the idea that the establishment of economic linkages between countries, increase the probabilities of solving international disputes through peaceful ways. According to this, China's rise is likely to be a peaceful process given its political and economic links with their regional neighbors and the West (Lampton, 2005; Cha, 1999; Brzezinski, 2005). Interdependent states are less likely to recourse to the use of force because the benefits obtained by the trade among states would be lost and interrupted because of conflict. As Brzezinski (2005) points out “China is determined to sustain its economic growth. A confrontational foreign policy could disrupt that growth, harm hundreds of millions of Chinese, and threaten the Communist Party's hold on power” (p.47). Moreover, “China's leadership is not inclined to challenge the United States militarily, and its focus remains on economic development and winning acceptance as a great power” (p. 46).

Another argument within this approach suggests that the structure of the current international order is so robust that it will change China's behavior and

institutions, rather than being challenged or changed by China. There are two separate arguments in the literature explaining why this occurs. Firstly, China benefits from the existing international order, and the trade-offs that China would have to accept to force a change might not be worthy. As Ikenberry (2008) has written, "today, China can gain full access to and thrive within this system. And if it does, China will rise, but the Western order—if managed properly— will live on" (p. 24). Secondly, China's engagement with the liberal order increases connections and interdependencies with international institutions and the corresponding socialization process. According to Ikenberry (2008), "today's Western order, in short, is hard to overturn and easy to join" (p. 24); therefore, in this scenario, China's grand strategy is status quo-oriented. Also, he further affirms that "China is well aware that no major state can modernize without integrating into the globalized capitalist system," (p.32) and highlights the role of the WTO in the process of engaging the Western Order's multilateral institutions.

Johnston (2003) has done extensive work on China's engagement with international institutions and the degree of compliance with international norms. In their seminal article "Is China a Status Quo Power?" he concluded that "China moved from being a revolutionary revisionist state to a more status quo-oriented one in forty-odd years" (p. 49). In the meantime, China has become more integrated to the international institutions and has shown a cooperative behavior. Indeed, China's membership in international organizations increased during the first twenty years of the reform era, reaching about 80 % of that of the industrialized powers. Further, this scholar argues that the Chinese elite has been socialized into the international order, and its foreign policy has adopted the current international norms and rules. Because of that, China is not seeking to challenge it.

Other scholars such as Foot and Walter (2011) argue that China is not changing the normative frameworks for its convenience. Even though China can sometimes appear as a "conservative force," it is not obstructing the normative institutions. Conversely, China's incorporation in international organizations—specifically the major multilateral economic institutions such as WB, IMF, and WTO—will moderate China's behavior towards cooperation. According to Pearson (1999), "judging by the evolution in attitudes of key domestic policymakers and bureaucrats within China, and changes in Chinese policies since the late 1970s, the effort of multilateral economic institutions to bring about engagement appears thus far to

have been successful in encouraging China to play by the rules of the game" (p. 212).

Deudney and Ikenberry (2009), points out that the economic development and liberalization of China will lead it to become a liberal and democratic state. Referring to China and Russia the authors claims that they "are not liberal democracies, but they are much liberal and democratic than they have ever been—and many of the crucial foundations for sustainable liberal democracy are emerging" (p. 86). Also, the authors show the link between capitalism and democracy to explain the phenomenon of the emerging middle class in China. As capitalist modernization deepens, the interest in accountable political institutions grows as well as the demands for accountability.

In summary, the liberal account posits that three factors impulse China's grand strategy: inter-state interdependence, economic incentives, and institutional constraints. Given the fact that, since the reform and opening-up, China has developed a foreign policy based on liberalist IR paradigm premises, this account has strong points regarding the actual course of China's grand strategy. Furthermore, China implemented a market-oriented reform in order to drive its modernization, be economically interdependent, and seek the country's insertion in the capitalist global economy. However, this account bears some weaknesses. First, like the realist theories, the liberal approach on the study of China's rise focuses on the state; overlooking the importance of domestic politics in the state's foreign relations. In this sense, this approach does not consider the impact of Chinese domestic politics on foreign policy-making and implementation. Second, although Johnston's work has offer empirical evidence to support China's increasing engagement with international organizations, their conclusions do not consider the changes that are taking place within international organizations. Third, the argument of Deudney and Ikenberry of China becoming a liberal and democratic state, due to its economic liberalization, is based on the experiences and rise of western states—especially the United States— overlooking the complexity of the Chinese economy and its political model. The "reform and opening up policy" in China has not led, at least in liberal terms, to the establishment of a democracy. Conversely, the reforms led to the transition from a totalitarian regime to an authoritarian one. Indeed, the one-party system has lessened the initial growth of the democratic institutions developed under

the Republic of China and turned the clock back into the movement towards democracy (Chow, 2007).

3.3. The Constructivist Account

When social science researchers refer to a constructivist approach, they are exploring the analysis centered on the socially constructed nature of relations. Specifically, in the IR field, scholars try to explain how international relations are built from different interests, and according to social aspects as beliefs, norms, identities, or cultures. It is evident that the constructivist scholars form a diverse group: some of them would not even call themselves constructivists, and others would do not ground their approach to China's grand strategy in any particular theoretical framework. That is why it is challenging to describe China's rise from such a perspective. Nevertheless, the reason to talk about constructivism, when studying China's grand strategy, is to focus on social perceived relations rather than power and security dynamics or economic and institutional incentives.

Some scholars remark the importance of the Chinese leader's perceptions in shaping China's grand strategy. Foot (2006) argues that China's international strategy is strongly structured around the leaders' beliefs, visions, and perceptions contained in their discourse, which in turn, shapes its vision about the global order and the positioning of China in it. In light of this, the US hegemony represents a big concern for Chinese leaders, since it "is seen as critical to China's pursuit of its core national objectives" (p. 80). She further argues that "China's view of the global order is centered on the US and mainly relates to the potential effects of US policy on its core goals of economic development and domestic stability. There seem to be two dominant policy perspectives at the base of Beijing's strategy in this unipolar world; both hope for accommodation with the US" (p. 93). Another author, Gill (2007), describes Chinese leadership discursive views and policies as social aspects that build China's role and position in the world. Gill argues that, for leadership, "the overall tendency of world affairs is toward peace and development" (p.2), which led China to adopt a status-quo oriented grand strategy.

Finally, it is relevant to name those constructivist scholars who have studied China's unique civilizational identity and its incidence on China's grand strategy. According to Jacques (2009), China's rise has to be explained by taking into

consideration a set of factors rooted in China's history. They differentiate China from the West, and, therefore, how China envisages its role and place in the world. The main idea is that "China should not primarily be seen as a nation-state but rather as a civilization-state" (p. 13). Therefore, China "seek to shape the world in the light of their own values and priorities," (p.15) hence, China's influence in the world, far from being merely economic, will also be political and cultural.

3.4. Critical Theory

Since they are not ontologies focused on the ideational dimension of international relations, mainstream IR theories —such as realism and liberalism— come with significant limitations to provide a comprehensive explanation of rising powers. Thus, looking for a more holistic framework to understand the rise of China as a global power, and its grand strategy, the post-positivist critical theory of Robert Cox (1981;1993) constitutes a useful piece of the theoretical backdrop of this research. Cox's works opened the way to further studies in IR theory that can be included in the Neo-Gramscian perspective.

Cox introduced a historical structural method, assessing the dialectical relationship between three forces defined by Cox as it follows: firstly, material capabilities which refer to the technological and organizational capabilities (dynamic forms) and the natural resources that technology can transform —stocks of equipment such as industries and armament and the wealth behind these resources (accumulated forms). Although, in this context, power refers to material capabilities, Susan Strange (1988) has presented it in structural terms; power is something related to the establishment and the control over structures in international relations. Therefore, structural power is the power "to decide how things shall be done, the power to shape frameworks within which states relate to each other"; [it] "means rather more than the power to set the agenda of discussion or to design" (p.45). This notion goes beyond the concepts of hard and soft power. Therefore, structural power not only sets the outcomes in the interstate relations based on material or ideational factor, but it also shapes the structures in which these states are rooted and act, transforming them in a resource for more power.

Secondly, ideas denote shared intersubjective meanings about the nature of social relations (i.e., certain kinds of behavior expected between states in conflict),

as well as collective images of world order that clashed among them. In summary, indisputable ideas against challenging ideas (Barbé, 2014). The establishment uses ideas to perpetuate hegemony. And the ruling class shapes the meanings to build the consensus and the consequent hegemony. At an international level, the hegemonic state sustains its acceptance and leadership based on its vision of international order.

Thirdly, the institutions merge the two previous forces to establish and perpetuate a particular order. Institutions reflect the power relations and tend to support collective images consistent with them. In addition, institutions can "provide ways of dealing with conflicts so as to minimize the use of force" (Cox, 1981, p. 137). In this sense, it is worth recalling that hegemony is also an articulation of interests between the ruling class and the other classes inside a particular society, which rely on the convergence of opposed interests. Therefore, the ruling class has to make concessions in order to achieve consensus and unanimous support to its leadership. Hence, "institutions may become the anchor for such a hegemonic strategy since they lend themselves both to the representation of diverse interests and to the universalization of policy" (p. 137). Analogically, a hegemonic state must create institutions that support the universal ideology. Indeed, the hegemonic state establishes a world order which is universal in its conception. The subordinate states must perceive that their interests are shared and represented by this order. Therefore, institutions have the purpose of creating and representing the rules of that order and legitimating it. Finally, in dealing with conflict, institutions reduce the use of force contributing to the maintenance of consensus.

An international hegemonic structure takes place when there is "a coherent conjunction or fit between a configuration of material power, the prevalent collective image of world order (including certain norms), and a set of institutions which administer the order with a certain semblance of universality" (Cox, 1981, p. 139). These forces do not determine the actor's behavior but limit it through pressures and constraints present in the structure. Their relationship can be assumed as reciprocal rather than unidirectional. However, the specific directions of each force will depend on the specific case study.

A primary point of departure of the Neo-Gramscian perspective is the notion of hegemony coined initially by Antonio Gramsci. Building on this concept, Cox

provide the framework to the study of hegemony in the international context. Contrasting to the mainstream IR theory, which reduces the notion of hegemony to its material dimension, Neo-Gramscians define hegemony as the expression of consent based on the acceptance of ideas, which are held by material resources and institutions established by the ruling social forces. Thus, aiming to present his own vision of the Gramscian notion of hegemony, Cox (1993), in his article *Gramsci, Hegemony and International Relations: An Essay in Method*, proposes how it can be applied to the international context and defines world hegemony as “an outward expansion of the internal (national) hegemony established by a dominant class”. Therefore, the first condition to accomplish world hegemony is the strengthening of the country's national hegemony. Consequently, it is vital to experience a social and economic internal revolution that allows a social class to establish its hegemony. The economic and social institutions, the culture, the technology associated with this national hegemony become “patterns for emulation abroad” (Cox, 1993, pp. 61-62).

Cox (1993) claims that “hegemony at the international level is thus not merely an order among states. It is an order within a world economy with a dominant mode of production which penetrates into all countries and links into other subordinate modes of production (...) World hegemony is describable as a social structure, an economic structure and a political structure; and it cannot be simply one of these things but must be all three” (p. 62). This idea makes us assert that the second condition to make possible world hegemony is the strengthening of hegemony through the establishment of a dominant form of production. Therefore, world hegemony must be expressed through universal institutions, norms and mechanisms that comprise general rules of behavior among the states and the forces of civil society beyond national boundaries. Another important aspect is the idea that world hegemony “is also a complex of international social relationships which connect the social classes of the different countries” (Cox 1993, p. 62). Hence, the hegemonic class of the dominant country makes allies with social classes of other countries, creating a global civil society and global classes. Cox (1993) argues that “the hegemonic concept of world order is founded not only upon the regulation of interstate conflict but also upon a globally conceived civil society, i.e. a mode of production of global extent which brings about links among social classes of the countries encompassed by it” (p. 61).

The rise of a hegemonic world order depends on the development of an international historic bloc composed by social forces that share a dominant hegemony accepted by subordinate classes. The particular historic bloc of each state is linked to the common interests of social classes in different countries resulting in the development of a global class. This international historic bloc is not only supported by these shared interests, but also by the recognition of the related institutions, and values originated in the dominant world. In other words, the historic bloc at an international level arises from the creation of connections between the dominant class of the hegemonic state and the dominant classes of the other states. Consequently, a social structure and a political structure will link hegemonic and subordinated states.

Considering that Cox refers to the world hegemony as an outward expansion of the internal or national hegemony that has been established by a ruling class, China's global power projection can be interpreted as a process of this kind supported by a specific foreign policy. In this sense, the scholar Xing Li (2016) has argued that Cox "(...) develop[s] a critical theory of understanding the nexus between hegemony, world order, and historical change. Such a nexus explains how internal hegemony, driven by dominant class and social forces occupying a leading position within a nation-state, is then extended and projected outward on a world scale leading to the shape of international order" (p.7). In this sense, China's Grand Strategy can be understood in the framework of this expansion of hegemony abroad

3.5. Foreign Policy Analysis (FPA)

The notion that politics within states affects politics among them is widely recognized in the IR field, thus establishing an interconnection between the domestic and international spheres. Such reasoning has been extrapolated to the study of foreign policy, generating a significant stream inside the literature, its main idea being that domestic policy constitutes a crucial element in the explanation of a state's foreign policy (Rose, 1998; Fearon, 1998; Bueno de Mezquita, 2002). A large part of these studies belongs to the subfield of Foreign Policy Analysis (FPA), which emphasizes the dynamics behind the states' behavior at the international arena, through an analysis that merges the domestic and international levels, resulting in a complex interaction between actors and structures. According to Carlsnaes (2013), there are two different explanandum in the study of foreign policy. The first one focus on the study of the decision-making processes in a broad sense, i.e., which factors

influence these processes, and who makes the foreign policy decisions. Some scholars use the Foreign Policy Decision Making (FPDM) to refer to the studies in this field (Mintz and Derouen, 2010). The second explanandum is narrower and studies the foreign policy itself —its content and conception— as an action that pursues specific goals.

As a subfield of International Relations, FPA aims to explain foreign policy taking an important part of its theoretical approach from IR theory. While this latter is focused on explaining the outcomes of the interaction among states, the FPA focuses on the dynamics behind the state's behavior in the international realm by merging two levels of analysis (domestic and international) resulting from the complex interaction between actors and structures. As Gideon Rose (1998) has pointed out, foreign policy theories "take as their dependent variable not the pattern of outcomes of state interactions, but rather the behavior of individual states. Theories of foreign policy seek to explain what states try to achieve in the external realm and when they try to achieve it" (p. 145). Furthermore, FPA aims at explaining the outcomes produced at the international level, taking the domestic interests and institutions as a reference.

FPA also highlights the importance of domestic institutions in determining which actors influence the government and its foreign policy. In this scenery, the main actor is not the state but the government, more specifically, an individual, or group of individuals who exercise control over the foreign policy of a given country (Schultz, 2013: 479). Thus, foreign policy must be conceived not only as "... the product of a country's internal dynamics" (Rose, 1998:148), but also as the result of the interaction between these dynamics and those coming from the international arena, i.e., the interaction between domestic and international forces. According to Katzenstein (1977), the increasing economic interdependence among states has led to the adoption of different strategies of foreign policy, thereby "the rationale of all strategies is to establish a basic compatibility between domestic and international policy objectives" (pp. 587-588). In this sense, foreign policy strategies are linked to the interplay between domestic and international forces (pp. 587-588). According to this idea, the author stresses the importance of domestic and systemic levels on foreign policy formulation.

In order to conceptualize and assess the complex interaction between agent and structure, some scholars have developed a general theory of foreign policy. Rose (1998) has divided the contributions of these scholars in four schools. The first one is composed of *Innenpolitik* theories, which emphasizes the influence of domestic factors on foreign policy formulation. The second, offensive realism which stresses the dominant role that the international system has on state behavior. The third, defensive realism which argues that the systemic factors have an important role in some kind of state behavior; and fourth, neoclassical realism which addresses the importance of domestic and systemic factors on state behavior but arguing that state's material power capabilities drive the scope of the foreign policy. Consequently, "foreign policy choices are made by actual political leaders and elites, and so it is their perceptions of relative power that matter, not simply relative quantities of physical resources or forces in being" (p. 147).

3.6. Sociology of Power Perspective (SoP)

The SoP has been so far applied fundamentally for the study of the internal politics of states or for an understanding of the international system as a whole, but there are no studies that discuss its complementarity with the Foreign Policy Analysis. The sociology of power, as proposed by Ferran Izquierdo (2016), aims to be a tool for the analysis of the power structures that govern any society, characterized by the existence of hierarchies. These hierarchies are presented at the level of a global system with new actors, resources, relationships and structure. Resource extraction processes have become global, with elites with a greater capacity for accumulation than in the past. And with changes in the kind of power resources with more accumulation capacity.

This ontological approach is useful in the dynamics of identification and analysis of: (a) typology of actors and relevance; (b) dynamics that govern their relationships; and c) power resources available to the actors and their weight in relation to the system. Although the Sociology of Power has not yet focused on the study of foreign policies, it does offer a framework for its study, especially in what has to do with the analysis of the elites, and in the conceptualization of the state.

Society is divided between elites and population. With regard to the elites, the primary elites have the capacity to compete for control of the resources that

allow greater accumulation at each moment, and delimit the balances of power that structure the whole system. For their part, the secondary elites, although they also intervene in competition, move in the structure generated by the primary elites, occupying subordinate positions in the hierarchy, so that their access to resources will depend on their alliances with the primary elites. The elites are formed in a process of competition for control of power resources. These resources can be political, economic, coercive, informative or ideological. Added to this, the interest of elites must be defined in terms of power, since their existence, identity and capacities depend on this power (power understood as a resource or relation that is used to accumulate more power). On the other hand, the population is at the base of the society subject to the decisions of the elites except in situations in which it becomes active and an actor.

The Sociology of Power considers the State both as a resource and structure, but not as an actor. The actors are the individuals. This approach facilitates the understanding of hegemonic mechanisms, and also of the global hegemonies that arise from elites that do not base their power on the state but on the global system. Within this society, two types of power relations are established. The first is circular power relations, which are based on the competition of elites for the differential accumulation of power. The differential accumulation of power has to be understood as the control and accumulation of resources that grant capacity and also as the control of resources that others hold by means of sabotage. In this sense, accumulation has to be measured in terms of capacity and not in terms of absolute resources. The nodal is to control a resource that can generate more capacity for the future.

Thus, the nature of the hierarchical system imposes on the elites a competitive systemic logic based on competition for the differential accumulation of power. This means that the elites' priority of always accumulating more power is not due to their motivation as actors but to the competitive logic that is inherent to the system. These types of relationships are called circular power relationships because they have no end for as long as the hierarchical system lasts. The second type of relations are the linear power relations. They correspond to the power relations that are generated by the search for objectives of the population to improve their living conditions. Thus, when the objective is reached the relation of power ends, it has a beginning and an end.

4. Research Design

The research design has been understood as the plan to conduct research. It involves the conjunction of the following elements: the strategies for inquiry or research methodologies, the research methods, and the research techniques. Thus, the selection of the research design will be based on considering these elements and the research problem (Creswell, 2009).

4.1. Research Methodology

The research methodology refers to “types of quantitative, qualitative, and mixed methods designs or models that provide specific direction for procedures in a research design” (p.11). To carry out this research a qualitative methodology has been used as a means for exploring the rationale and motivations behind China's grand strategy and foreign policy adjustment in the Xi Jinping era. The qualitative methodology is used to understand a situation, event or interaction and implies an investigative process where the researcher makes sense of the social phenomenon under research by comparing, contrasting, replicating, cataloguing and classifying the object of study (p.11). As we will further explain, the process of data collection of this research involves the compilation of data by using documentary analysis and semi-structured interviews in order to gather opinions, perceptions, attitudes and background information such as expert knowledge. Respectively, the process of data analysis and interpretation requires the preparation of the data for analysis, which means going deeper in its understanding by asking analytic questions, gathering data and making interpretations about it.

4.2. Research Methods

Regarding the research methods, this research project employs a single crucial-case study. According to Eckstein, most-likely or least-likely cases may be of particular use in specific research designs for the purposes of testing certain types of theoretical arguments, insofar as the theory provides relatively precise predictions and measurement error is low (Eckstein, 1975, pp.113-123) In this regard the single case can be used to establish if the propositions contained in the theoretical arguments are correct, or whether there are other explanations that might be more relevant. In light of this, the BRI has been selected as case study as the most-likely

case for the observation of the theoretical conditions and propositions under which our hypothesis is set to be validate. It is expected to find in this case all the conditions and theory's proposition that comprehend the framework of analysis presented in this research, that is, the validation of the factors proposed to intervene in the research questions.

4.3. Research Techniques and Data Collection

The research techniques employed in this research are documentary analysis, semi- structured interviews and case study analysis, namely as methodological tools to gather qualitative data. The selection of these techniques has been made considering: a) their pertinence to the research aims and the pursued theoretical and empirical contributions intended by this dissertation; b) the nature of the topic considering China's party-state system; and c) the available financial resources to conduct fieldwork in China.

4.3.1. Documentary Analysis

The documentary analysis will be based on the study of written primary sources which include white papers, official documents, speeches, official statements, bilateral documents such as joint statements and framework agreements. This analysis included a number of sources that range from selected speeches of President Xi Jinping and other presidential and bureaucratic sources such as Hu Jintao's speeches and the BRI blueprint from the National Development and Reform Commission, to white papers and press releases from the official press agency Xinhua. In China, a source can be considered as authoritative when it is officially understood to "speak on behalf of the regime" (Swaine 2014). Regarding foreign policy, this will include official statements issued by the Ministry of Foreign Affairs, spokesperson statements and daily press briefings, remarks from Party officials, and reports published by official newspapers such as People's Daily. The secondary sources include books, journal articles, conference papers, policy papers, press releases and statistical data from official documents and financial reports.

4.3.2. Qualitative Interviews

This research relies on a secondary basis on qualitative interviews. As regards the selection of the type of interview, we choose to conduct individual and face-to-face interviews. Although this type of interviews in the IR field involves structural constraints such as a possible asymmetry between the interviewer and the interviewee, the imperative of discretion or secrecy given the nature of the topic, and the use of foreign languages, it is a suitable tool to address the research topic in depth and receive answers about sensitive themes that the interviewee would not be willing to offer through other means. From our experience, this type of interview allows for the development of a rapport with the interviewee and the opportunity to ask follow-up questions that may arise from the questions already structured in the interview guide. As for the form of the interview, open-ended questions were formulated in order to simplify the discussion in a more flexible and semi-structured manner. The semi-structured interviews allow the interviewee to provide the researcher with as much information as they want, but also allows the researcher to ask probing or follow-up questions.

As far as the identification of the respondents is concerned, a panel of interviewees was designed based on their professional background and knowledge on the topic of this research. The selection of the interviewees thus responds to the will to study not only differing opinions but arguments that might be contrasted against this project's hypothesis and could be taken into account as control variables. Bearing this in mind, the panel of interviewees was segmented in five categories: (a) Chinese government officials (different ranks), (b) scholars from Chinese universities affiliated to the government, (c) scholars from universities in Hong Kong independent to the Chinese government; (d) researchers from officials think-tanks and research centers; and (e) researchers from independent think-tanks and research centers. During the research stay in Hong Kong, we interviewed participants belonging to the categories (c) and (e). Among these interviewees, I found scholars and researchers who were willing to speak openly about the subject, even offering a critical view of the matter and of others who, despite being associated with independent universities and research centers, were aligned with the official narrative about the Belt and Road Initiative. In Beijing's case, we interviewed participants belonging to the categories (a), (b) and (d). It is noteworthy, that outside of the panel of

interviewees, we had the opportunity to talk with one retired correspondent from the *People's Daily*, which is the official newspaper of the Central Committee of the Communist Party of China.

As we mentioned before some of the constraints in doing fieldwork in China are the political sensitivity and secrecy regarding foreign policy. Because of this, in the interviews we had to guarantee the interviewee the confidentiality of what was expressed in the interview and that his/her name will not appear on the interviewee's list in which I will only refer to generic positions. Also, note-taking has been the main method used to record their answers, because the request for using a recorder always made the interviewee uncomfortable. In summary, we conducted around twenty interviews, mostly to the participants belonging to the categories (b), (c), (d), (e), and only one belonging to the category (a). The interviewee was a government official who granted me the opportunity to talk to him by telephone. The data gathered from interviews has been triangulated with primary sources such as speeches and statements, and also with secondary sources such as literature, academic journals, ect.

Finally, most of the interviews were conducted during four months of fieldwork in China from March to July 2018. In this time, I have the remarkable opportunity to fulfill a 3-months period of research stay at the French Center for Research on Contemporary China (CEFC) based in Hong Kong and its branch office in Beijing at Tsinghua University. The CEFC has developed a significant line in the study of Chinese foreign policy and international relations and some of their senior researchers focused on the study of China's foreign and domestic politics and the BRI. Sharing my ideas and getting the feedback from these researches provided me with new thoughts to develop this research. During this time, I also have the opportunity to attend the in-house seminars and conferences held in Hong Kong by Chinese universities from which I gather many invaluable insights.

CHAPTER II. FRAMEWORK FOR ANALYSIS: GRAND STRATEGY AND FOREIGN POLICY ADJUSTMENT

Bearing in mind that the primary goal of this research is to explore the rationale and motivations behind China's assertive turn in its grand strategy and foreign policy during the Xi Jinping era, we will devote ourselves to develop an account of the factors that have driven the adjustment of China's grand strategy and foreign policy. A suitable approach to understand the logic and driving factors of adjustments in the grand strategy must consider the interplay between systemic and domestic factors, without prioritizing any of them (Feng, 2012). Therefore, we intend to model a synthetic and comprehensive approach, able to cope with the empirical findings and useful for future scholars interested in the dynamics of foreign policy.

Although, the mainstream IR theories have already studied those factors; we add other explanatory tools from supplementary theoretical perspectives such as the Critical Theory, Foreign Policy Analysis, and the Sociology of Power (SoP), which is understood in this project not as a theory but as an ontological toolbox from which to draw in order to create a conceptual category that accurately depicts aspects of China's domestic factors. The advantages of our framework are twofold. First, it is possible to integrate the levels of agency and structure while observing how they interact in the state's foreign policy actions. Secondly, since it considers that the domestic and the international levels are interdependent, this analysis would not tend to privilege structure over actors as neoclassical realism does, or domestic factors over the structure as the *innenpolitik* theories does.

The analytical categorization of these factors is embedded on the mainstream IR theories, but also incorporates other explanatory tools drawing from supplementary theoretical perspectives such as Critical Theory, Foreign Policy Analysis (FPA) and the Sociology of Power (SoP), which is understood in this project not as a theory but as an ontological toolbox from which to draw in order to create a conceptual category that accurately depicts aspects of China's domestic factors. Hence, through the presented framework of analysis this research attempts to tackle the following empirical and theoretical objectives: (1) to establish the conceptual system of categories that allows for data classification; (2) to connect the obtained

results with the research puzzle and questions; (3) to bridge the gap between the domestic and international levels of analysis in the wider field of International Relations and FPA; (4) to consider the contribution of Critical Theory, which offers an appropriate frame for examining the subject of China's role in international relations by providing the link between the internal power dynamics and its external projection; (5) complement the above theoretical frameworks with the perspective of Sociology of Power.

1. On the explanatory factors of China's grand strategy and foreign policy adjustment

In order to account for the factors that explain the strategic adjustment of a state's grand strategy and external behavior, it is fundamental to build on the following considerations. First, there is no single factor that can explain why a state changes the course of its strategy. The discrimination of such a factor will mainly depend on the theoretical perspective selected by the researcher and the case under study itself. Therefore, the analysis of any foreign policy action must "assess the relevance and explanatory value of each parameter on a case-by-case basis" (Blavoukus and Bourantonis, 2014, p. 485). Moreover, each factor can operate at different levels of analysis, either individual, domestic, or systemic, thereby changes in the international system, as well as domestic circumstances, or the preferences of a given actor, can provide valid explanations. However, when dealing with the specific case, some factors will tend to predominate more than others, leading to conclusions which cloud overestimate the role of some factors. That is the case of previous research on foreign policy change that considered combining different levels of analysis but tending to give preponderance either to systemic or domestic factors.

The following sections will explain the strategic adjustment, since 2008, of China's grand strategy and the changes in Chinese foreign policy from the point of view previously specified. In this sense, this research studied the set of factors that emerged by looking at the changes at the systemic level and the domestic aspects that we consider inform China's foreign policy. For a better comprehension of what these factors involve and how they have affected the course of China's grand strategy, we proceed to gather them as systemic and domestic. However, as we will

see from their presentation, those factors occasionally overlap, showing the interdependent nature of the systemic and domestic realm, especially in Chinese politics.

1.1. Systemic factors

Systemic factors are those elements that originate at the international level and have an effect on the behavior of a particular state. As Singer (1961) has put it, the international system is an analytical level that encompasses "the totality of interactions which take place within the system and its environment. By focusing on the system, we are enabled to study the patterns of interaction which the system reveals [and] the frequency and duration of specific power configurations" (p. 80). Furthermore, systemic factors are forces that exert a significant influence on a country's foreign policy. Such forces may constrain and delineate foreign and security policy, but also may lead to "a re-prioritization of foreign policy objectives, and the emergence of new means of actions and foreign policy options" (Blavoukos and Bourantonis, 2014, p. 488).

1.1.1. Structural Changes in the global economy

This factor gathers both structural changes in the global and Chinese economy since the transformations in the former are to some extent attributable to the economic rise of China and its adjustment into the world capitalist structure. In our research, the focus will be on the global financial crisis of 2008, which was an event that not only altered the dynamics of the global economy but also shifted how the Chinese leadership used to perceive China's position at the international system. Indeed, the global financial crisis was the turning point that triggered the gradual adjustment of China's grand strategy, as we can see from the significant foreign policy changes undertaken by the Hu-Wen administration. The explosion of the subprime mortgage crisis in the US in 2007, followed by the bankruptcy of Lehman Brothers in 2008, sank the US economy in a profound recession that reached a GDP contraction of -2.5% in 2009. The impact of this contraction had notable adverse effects on the global economy which experienced a GDP decline of -1.6% (WB, 2019b, 2019c) and suffered the sovereign debt crisis in the Euro Zone in 2010.

As previously studied, China has adopted an investment-driven and export-oriented economy model that over the past thirty years had sustained its economic

miracle but had also made the Chinese economy over-dependent on exports. Thus, due to the reduction of external demand, China would be logically affected by the global economic crisis. For instance, the export-to-GDP ratio went from 35.4% in 2007 to 24.4% in 2009, and the trade-to-GDP ratio dropped from 64.4% to 44.6% (WB, 2016, 2017). China's net FDI also declined to \$US 121.68 billion in 2008 to \$US 70.32 billion in 2009 (Li, et al., 2011). However, the Chinese leadership managed to handle the spillover effects of the global financial crisis by adopting a stimulus program (*Kuoda Neixu Shixiang Cuoshi* 扩大内需十项措施) estimated at CNY 4 trillion and intended to “further expand domestic demand and assure stable rapid growth” (The State Council of the PRC, 2008). Furthermore, the Chinese government combined an active fiscal policy and a loose monetary policy⁵ with tax rebates to exports, the relaxation on the control over labor benefits, and more importantly, the nominal appreciation of the RMB. Although there was an important economic slowdown considering the economic growth reached by the economy in 2007 of 14.2%, China kept relatively high growth rates during the peak of the crisis in 2008 and 2009, (9.6% and 9.2% respectively), and the economy rebounded in 2010, reaching one of the highest rates of economic growth in the world (10.4%), and displacing Japan as the second's world largest economy (National Bureau of Statistics, 2013).

Such statistics and indicators allow us to contextualize the structural changes in the global economy, and the economic rise of China, being our ultimate purpose sheds light on how these fluctuations affected the course of China's grand strategy. In this sense, the global financial crisis worked as a key factor in modeling the perception in the Chinese foreign policy decision-making structures about the global balance of power. The vision was that the United States' financial system had collapsed, and its concomitant hegemonic preeminence had been called into question. Consequently, the Chinese government started a process to reassess the global distribution of power. To sum up, the 2008 global financial crisis worked as a catalyst factor that raised China's confidence as international actor, led to Chinese elites to reevaluate China's role at the international stage, and set the path for a gradually adjustment between the “Keeping a low profile” and the “striving for achievement” foreign policy strategies (as discussed in chapter IV).

⁵ See Zhang, M. (2009). *The Impact of the Global Crisis on China and its Reaction (ARI)*. Retrieved from: http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/ARI62-2009

Now, for China's assertive turn in foreign policy and the adjustment of the country's grand strategy that took place between 2013 and 2014, the dynamics and uncertainties in the global economy, played a key factor in driving this shift. At that time, the orderly succession of power had taken place, and China was in the hands of a new elite headed by a leader with a clear vision and firm resolve about China's rising path. In order to theoretically ground this argument, we resort to Robert Cox's thoughts on the global economy and the "internationalization of the state." He refers to the global economy as "the system generated by globalizing production and global finance. Global production is able to make the use of territorial divisions of the international economy" (Cox and Sinclair, 1996, p. 300) causing a structural impact on national governments, which has been labeled the "internationalization of the state." Cox defines it as the conversion of a state "into an agency for adjusting national economic practices and policies to the perceived exigencies of the global economy. The state becomes a transmission belt from the global to the national economy, where heretofore it has acted as the bulwark defending domestic welfare from external disturbances" (p. 301).

These ideas of Cox are useful in our research. Since 2014 China's economy has entered in a new phase that president Xi Jinping has labeled as the "New Normal" (*xin changtai* 新常态). Over the past few years, China's economic growth rate has dropped from the double-digit rates to 6.6% in 2018 (WB, 2018), so the idea of the "New Normal" lies at the core of the understanding that is essential for the country to achieve sustainable growth, even if that implies having it in a less rapid pace. The features of the "New Normal" are: "first, the economy has shifted gear from the previous high speed to a medium-to-high speed growth. Second, the economic structure is constantly improved and upgraded. Third, the economy is increasingly driven by innovation instead of input and investment" (China Daily, 2017). Such structural changes at the Chinese economy must be seen not only as a result of domestic factors —such as the need to rebalance and transform the Chinese economy in order to sustain economic growth— but also as a response to the structural changes and processes inherent to the global economy, which demand an adaptation or conversion in the structures of the national economy.

Moreover, according to Jiang Zhida —an Associate Research Fellow at the China Institute of International Studies (CIIS)⁶— since the global financial crisis, the global economy is still in a period of recession and adjustment between rising and downturn cycles. Some economists expect that the global economy will enter into a new growth cycle in six or seven years. Due to this, China must overcome its overcapacity problem and improve the national economy in terms of structural adjustment, transformation, and upgrading. Therefore, for China to seize the “period of strategic opportunity”⁷ and advance in the restructuring of its economy, China has to focus on building infrastructure, promote technological innovation and industrial upgrading. “China’s period of strategic opportunity is fleeing,” and the country should make the necessary economic transformations to deal with a much more complicated external environment than that of the previous years.

After evaluating these arguments, one may assert that dealing with the uncertainties left by the global economic crisis and the consequent structural adjustments, can be seen as the main elements in China’s assertive turn in foreign policy and grand strategy. Sustaining economic growth and social development constitute one of its long-term strategic goals. In order to achieve it, since 2013, the Chinese leadership and policymakers have had to make bold decisions in order to assure the continuity of China’s economic growth, but also biding its time to take a more constructive role in building China’s path to exert a global leadership. As we will see later in chapters V and VI of this research, China’s Belt and Road Initiative, emerged in this context and responded to the changing dynamics of the global economy as well as the fluctuations in the international structure and shifting dynamics of the global power.

1.1.2. Fluctuations in the global distribution of power

This factor includes the fluctuations in the global distribution of power in the aftermath of the 2008 global crisis. According to this idea, China’s rise as an emerging power and the relative decline of established powers like the US and Japan brought

⁶ Chinese Ministry Foreign Affairs’ leading think tank.

⁷ Xu Jian, a research analyst at the CIIS has explained in his article: *Rethinking China’s Period of Strategic Opportunity*, published in 2014, that “the so-called “period of strategic opportunity” refers to the duration of time during which the comprehensive national strength, international competitiveness and influence of a country are expected to rise consistently as a result of favorable subjective and objective factors”

about the reconfiguration of the international structure and the global power dynamics. Hence, it is worth considering not only the weakening of the United States hegemony globally and particularly in those regions of greater interest to China (i.e., Chinese periphery), but also the change of the relative position of China and its growth in terms of structural power. As Goldstein (2005) has noted "if China's relative capabilities were to increase dramatically, or if Beijing concluded that the system's most capable actors lacked the interest or resolve to resist Chinese initiatives [...] China might then shift to a strategy that more assertively attempted to reshape the international system according to its own preferences" (p. 199). On the one hand, it is assumed—as Neo-realism does—that a change in a state's position in the global balance of power "strongly shapes" its external behavior (Mearsheimer, 2001, p. 10). Therefore, power shifts will logically affect the course of a nation's foreign policy and grand strategy. One of the ways for this to happen is that the decision-making structures assess changes in the international environment as risks or opportunities, which, in turn, create a positive or negative situation that may induce changes in the foreign policy.

To understand this mechanism, we, firstly, use Kuik's analytical distinction between "systemic opportunities" and "systemic pressures". These are structural factors "induced by a change in structural conditions, which propel an actor to take actions aimed at improving its relative position and security vis-à-vis the other actors" (2017, p. 167). Kuik also introduces the notion of "geopolitical resolve" and defines it as the determination to exert a proactive role to increase a country's geostrategic space. Equipped with this concept, Kuik goes beyond the neorealist account, which solely focuses its attention on the changing distribution of power in terms of material capabilities. By assigning the geopolitical resolve among the major actors in the international system, it is possible to include not only the pressures but also the opportunities found in the changing distribution of power. It is our purpose to complement Kuik's approach in two ways. Firstly, by considering that within the decision-making structure, the perception of an opportunity takes place when the structural changes are seen by decision-makers as a power vacuum or window of opportunity to undertake the desired policy changes. In line with this, a risk perception will take place when decision-makers perceive structural changes resulting from a change in the geopolitical resolve of an actor as a threat or challenge to the completion of a state's long-term strategic goal.

The second complement states that a change in the distribution of power can also take place in terms of structural power. That is, in such a way that an actor has the power “to decide how things shall be done, the power to shape frameworks within which states relate to each other” (Strange, 1988, p. 45). In light of this, the structural changes in the global economy and their connection to the fluctuations in the global distribution of power could be seen as complementary perspectives. As Bo (2018) remarks: “the focus of China's foreign policy is not confined to the calculations of pure economic gain and loss, but it is also expanding to the socio-political and superstructural domains” (p. 65). Therefore, by taking advantage of the systemic opportunities, China strives for increasing its structural power. One way to achieve this is to pursue a transformation of the international institutions in the Neo-Gramscian sense. Thus, while China has indeed articulated itself to the international economic order through its participation and coupling to the rules of the major multilateral institutions, it is also true, that Beijing has demanded for a reform of the global governance structures; and, against the resistance of some western powers, China has taken the initiative to create new institutions such as the New Development Bank (NDB), the AIIB, and the BRI.

Opportunity perception

*Zhongnanhai*⁸ realized that the collapse of the global economy in 2008, also embodied a shift in the balance of world power. As Nye (2011) argued, Chinese “believe that the recession of 2008 represented a shift in the balance of world power, and that China should be less deferential to a declining United States”. Besides, the author also claimed that this “overconfident power assessment has contributed to a more assertive Chinese foreign policy in the last two years.” Hence, weighing the distribution of power at the systemic level has been seen as a fundamental factor in China's foreign policy decision-making. On this matter, Glasser and Morris (2009) have claimed that:

As long as Chinese leaders perceive a long-lasting American preeminence averting confrontation with the United States is likely seen as the best option. If Beijing were to perceive the U.S. position as weakening, there could be fewer inhibitions for China to

⁸ *Zhongnanhai* refers to a former imperial palace adjacent to the Forbidden City in Beijing. At present, the central headquarters of both the CCP and the State Council are located in this ancient complex. Because of this, *Zhongnanhai* is seen as the center of political power in China. For this study I will use the term to refer to the Chinese government and their leadership.

avoid challenging the United States where American and Chinese interests diverge. Since the late-1990s, Beijing has judged the United States as firmly entrenched in the role of sole superpower. As long as the comprehensive national power of China and the other major powers lagged far behind the United States, and the ability of China to forge coalitions to counterbalance U.S. power remained limited, Beijing concertedly avoided challenging U.S. interests around the world (p. 4).

Following this logic, Beijing's assessment of the global structure of power resulted in the perception of the United States entering a phase of seemingly power decline. China saw this situation as an opportunity to reassess its role in a new international structure, which was more oriented to a multipolar system and less driven by the unilateral hegemony of the United States. Such perception was also nurtured by a sense of triumphalism that reigned among the Chinese government and Chinese people after the 2008 Olympic Games.

On the one hand, *Zhongnanhai's* perception of a China growing in power and influence vis-à-vis the US declining in influence towards East Asia and making room for Beijing to advance in its interests, "reinforce existing feelings of Chinese triumphalism and spawned overconfidence" (Scobell and Harold, 2015, p. 115). On the other hand, the successful hosting of the Olympic Games "appeared to signal to the Chinese people that their country had finally "arrived" there as a great power. As a consequence, China should adopt a higher profile on issues that matter" (p.112). These perceptions in tandem with China's economic growth during 2008-2009, and the rebound of the national economy in 2010, unleashed an unprecedented level of confidence among the Chinese elites that encouraged Beijing to no longer remain as a spectator of the international stage but to pursue a more engaging role towards it by performing a proactive foreign policy. This latter marked the transition between Hu's and Xi's foreign policy strategies (from "keeping a low profile" to "striving for achievement"). However, it would not be until 2013-2014 that China's assertive turn would fully take place.

However, Scobell and Harold (2015), argue that from 2008 to 2010 China experienced its first wave of assertiveness, that "was triggered by a perception in Beijing that the Obama administration had adopted a new policy toward the Asia-Pacific, one more accommodating to China's national interests. Emboldened by what was interpreted as a significant policy shift by Washington, China acted more assertively in its own backyard" (p. 113). Indeed, the perception originally shown

among several Chinese analysts and scholars was that, during this time, assertiveness was, to some extent, part of China's foreign policy decision-making process. The Vice-President of the China Institutes of Contemporary International Relations (CICIR)⁹ —Fu Mengzi— said in an article published in *The Global Times* that: “the global financial crisis offers global leaders a chance to change the decades-old world political and economic orders. But a new order cannot be established until an effective multilateral mechanism to monitor globalization and countries' actions comes into place” (2009). Such a claim is linked to China's understanding of the international order in the post-Cold War era. The perception is that the international structure, characterized by the condition “one super power, many major powers,” referring to the power breach between the US and the so-called emerging powers, constrained China's rise. However, after the 2008 global crisis, China saw: a) an opportunity to fill the power vacuum created by the US relative decline, and, b) an opportunity to promote “multipolarity” (*duojihua* 多极化).

In the leadership, one may also find some evidence tracing this change in China's international outlook and its growing resolve. One sign of China's growing confidence and determinations can be traced to the intervention of the Chinese State Councilor Dai Bingguo during a high-level meeting between the United States and China held in 2009. He put forward the first public reference to China's “core interests” by saying that “China's number one core interest is to maintain its fundamental system and state security; next is state sovereignty and territorial integrity; and third is the continued stable development of the economy and society” (China Digital Times, 2009). Moreover, in November 2011, China's core interests are set as a policy through their inclusion in the second white paper on “*China's Peaceful Development*,” in which the core interest of national reunification was added to those stated by Dai Bingguo. Thus, under the logic of defending its “core interests,” China objected the US selling arms to Taiwan¹⁰; criticized President Obama's meeting with the Dalai Lama in 2010 and asserted the maritime territorial claims over the South China Sea.

⁹ The CICIR is a government-affiliated foreign policy think tank focused on international strategy and global and regional security, among other areas concerning the study of major powers. The CICIR is China's Ministry of State Security leading think tank.

¹⁰ See Chinese Foreign Minister Yang Jiechi speech at the Luncheon Hosted by the National Committee on US-China Relations and the US-China Business Council, available at: <http://www.china-embassy.org/eng/gdxw/t861437.htm>

Risk perception

On March 8, 2009, a naval incident involving Chinese vessels and the United States Naval Ship *Impeccable* took place in the South China Sea. The United States government and media portrayed the incident as “shadowed and aggressively maneuvered in dangerously close proximity to USNS *Impeccable*, in an apparent coordinated effort to harass the U.S. ocean surveillance ship” (The New York Times, 2009). Meanwhile, the Chinese Foreign Ministry spokesman —Ma Zhaoxu— declared that “the US claims contravene the facts, confuse black with white, and are totally unacceptable to China.” Moreover, referring to the incident, the China Internet Information Center¹¹ published an article titled: *The Impeccable is a US spy ship*, an added: “The US must accept the fact that China is growing stronger. As Dr [sic] Henry Kissinger said, “Throughout history, when one country becomes stronger, the former super power feels uneasy. But China's rise is inevitable. There's nothing that can be done to prevent it.” (China Internet Information Center, 2009). Later on, in 2010 the Chinese Foreign Minister Yang Jiechi addressed the South China Sea Issue at the Association of Southeast Asian Nations (ASEAN) Regional Forum, to warn Southeast Asian states to stand aside in the handling of territorial disputes concerning China. Two statements of Yang are remarkable. First, “China and some ASEAN nations have territorial and maritime rights disputes because we are neighbors. And those disputes shouldn't be viewed as ones between China and ASEAN as a whole just because the countries involved are ASEAN members” (China Daily, 2010a). Second, “China is a big country and other countries are small countries, and that's just a fact”¹² (The Washington Post, 2010).

Such statements show a shift in the course of China's foreign policy and their narrative, and also a reacting China to what is considered a threat to its core interests concerning territory and sovereignty¹³. According to Christensen (2011), observers have concluded that “China has become more assertive, revising its grand strategy to reflect its own rise and the United States' decline since the financial crisis.”

¹¹ The China Internet Information Center is the authorized government portal to China. Its domain is China.org.cn

¹² After a heated debate at the meeting, Yang left the room and came back saying this directly to the Foreign Minister of Singapore, George Yeo.

¹³ There is a contested debate among Chinese analysts about considering the question of the South China Sea as a core interest. Zhen, Xiao, and Breslin (2015) have deepened in this debate in their article: *Securing China's Core Interests: the state of the debate in China*. We considered that the South China Sea issue is wholly related to the protection of China's “core interests,” and it is one of the areas in which Beijing assertive turn is highly noticeable.

However, and despite that trend, he suggests that "Beijing's new, more truculent postured is rooted in an exaggerated sense of China's rise in global power and serious domestic political insecurity." Therefore, "Chinese policymakers are hypersensitive to nationalist criticism at home and more rigid —at times event arrogant— in response to perceived challenges abroad." Through the lens of our analytical framework, Beijing's adoption of a more hardline foreign policy answered to a greater extent to a perceived risk or threat to its core interests but coupled with *Zhongnanhai's* growing sense of confidence and determination to escalate its power position within the international system. Thus, Hu's narrative of embracing and promoting multilateralism was partially overshadowed and contradicted by China's real actions.

That said, near the end of 2010, *Zhongnanhai's* perception of risk but also the fear of containment increased in the wake of the US Asia-Pacific strategy¹⁴ put forward during the President Barack Obama administration. Although during the ASEAN Regional Forum the then US Secretary of State —Hillary Clinton— unveiled United States determination to reengage with the Asia-Pacific region, she had already made the first outline of the strategy in an article to *Foreign Policy*. It reads:

... the United States stands at a pivot point. [...] In the next 10 years, we need to be smart and systematic about where we invest time and energy, so that we put ourselves in the best position to sustain our leadership, secure our interests, and advance our values. One of the most important tasks of American statecraft over the next decade will therefore be to lock in a substantially increased investment — diplomatic, economic, strategic, and otherwise— in the Asia-Pacific region. [...] A strategic turn to the region fits logically into our overall global effort to secure and sustain America's global leadership (2011).

Clinton's article mentions China 33 times. The overall mentions promoted a cooperative relationship between China and the United States, but they also emphasized the need for China to advance in its reform, to work towards the appreciation of their currency, and suggested further efforts concerning human rights, to better compliance and understanding between both sides. Furthermore, Clinton's words made a strong statement about who will exercise the leadership in the Asia-Pacific Region:

¹⁴ Also known as the Asia Pivot Strategy.

The region is eager for our leadership and our business —perhaps more so than at any time in modern history. We are the only power with a network of strong alliances in the region, no territorial ambitions, and a long record of providing for the common good (2011).

In November 2011, during his intervention at the Australian Parliament, President Obama formally presented the Asia-Pacific strategy. This strategy revealed a “broader shift” after the United States spending a decade fighting the wars in Afghanistan and Iraq and being strongly focused on the Middle East. After denoting Asia-Pacific geostrategic relevance, Obama claimed that he had “made a deliberate and strategic decision —as a Pacific nation—, the United States will play a larger and long-term role in shaping this region and its future, by upholding core principles and in close partnership with our allies and friends” (The White House Office of the Press Secretary, 2011).

Based on those declarations, one may argue that China's assertive turn in foreign policy and the adjustment of its grand strategy, was driven (combined with domestic factors) by the risk perception after the United States re-engagement with the Asia -Pacific region. In this vein, it is possible to assert that the sense of insecurity and the fear of containment played a key role in determining a nation's foreign policy and its strategies. Based on interviews with Beijing and Shanghai's analysts, Scobell and Harold reported that China saw “the US strengthening its military and diplomatic posture in the Asia-Pacific, something they perceived as a threatening and triggering a response of reactive insecurity aimed at countering the threat” (2013, p. 119). They further conclude that “China's second wave of assertiveness seems best explained by reactive insecurity [...] Beijing was responding to what most Chinese officials and analysts viewed as a wave of assertiveness by the United States toward China” (p. 127). As we will see in detail in chapters V and VI, China's Belt and Road Initiative is largely driven by China's need to counteract the weight of United States hegemony in the Chinese periphery and avoid a United States-led regional encirclement. The West is trying to content China, and the BRI is the response (Interview #10).

1.2. Domestic factors

Domestic factors are those elements or forces that originate at the national level due to internal dynamics such as the party-state system, the type of economic

regime, and the socio-economic development of the Chinese society. These elements can be described as changes that have taken place at a domestic or internal level in China which are conceptualized here as a) the regime preservation and CCP's legitimacy, b) exhaustion of the development model, and c) elite restructuring. Due to an increase in favorable domestic conditions, these elements have acted as catalyzers of China's foreign policy adjustment facilitating the reaping the benefits generated by systemic factors, most poignantly under Xi Jinping, while allowing China to adopt a more assertive foreign policy and to seek the achievement of its grand strategy.

1.2.1. Regime Preservation and CCP's Legitimacy

As discussed in the previous section, the Chinese leadership handled the spillover effects of the 2008 global financial crisis by implementing the CNY 4 trillion stimulus program, which brought relatively high growth rates during the peak years of the crisis and helped with the rebound of the economy in 2010 with a double-digit economic growth rate. Despite China's high economic growth vis-à-vis other major economies such as the United States and Japan, internally, the Chinese society experienced significant disruptions that were felt in several areas. Although the stimulus program ameliorated the effects caused by the decline in the external demand for Chinese exports and stimulated China's economic growth, the program showed its weaknesses by being unable to control the macro-economic issues that its implementation had unleashed. In Barry Naughton's words:

The decisiveness with which the Chinese leadership launched a large and fast stimulus investment program was a crucial part of the world's recovery from crisis, and it was certainly seen by China's leadership as having been successful. Nevertheless, it also left tremendous challenges, because it corroded the hard-won financial independence of banks and businesses, and it locked China into a huge and costly program of infrastructure investment, most of it controlled at the local level (2010, p. 2).

Therefore, the Chinese elite had to face several challenges not only concerning to those macro-economic issues, such as the high unemployment and inflations rates, the accumulation of the nonperforming bank loans, or the growing imbalance of the Chinese economy, but also, because they significantly challenged the government's performance-based legitimacy, the effects of these measures on

Chinese people. The Chinese idiom “iron rice bowl”¹⁵ (*tie fan wan* 铁饭碗), which at present means having a secure job, or life-time employment that provides the sustenance for the home, exemplifies how relevant is for a country like China sustaining economic growth and social development in order to assure the 1.3 billion population welfare and proper livelihood conditions. Furthermore, guaranteeing those conditions is at the core of the CCP’s legitimacy, since it links the country’s overall political and social stability to the regime preservation. Given the blurry line between the Party, the state, and the government in China, the regime preservation rests on the CCP’s control of the country. Given these circumstances, the Party is the ultimate accountable source of legitimacy. On this matter, William Norris (2016) has argued that “economic growth is an important objective sought by the regime, both as good in its own right and as one of the key means through which the party maintains its grasp on power” (p.58). He further adds, “economic growth has come to replace communist ideology as the chief legitimizing dynamic underpinning the CCP’s popular credibility” (p. 55). Hence, the unemployment issue coupled with other socio-economic disruptions arising from the crisis were a breeding ground for social unrest and, in the long run, a source of conflict that undermined political stability.

The official data provided by the Chinese Ministry of Human Resources and Social Security (MOHRSS) set the urban unemployment rate in 2008 and 2009 at 4.2% and 4.3% respectively (China Daily 2009, 2010). However, the *Annual Blue Book on China’s Society* published by the CASS, reported that the urban unemployment rate in 2008 reached 9.4% while some Chinese scholars estimated China’s unemployment rate in 2009 at 14.2%¹⁶. It is important to highlight, that in the same year the number of unemployed rural migrant workers was estimated at 30 million, and more than 9 million of college graduates were also unemployed, being a latent source of urban instability (Beijing Review, 2011b). Wang Shengjun, the then President of the Supreme People’s Court, reported in 2008 that “the number of labor disputes had nearly doubled this year, showing an increase of nearly 94 percent in the first 10 months of the year compared with the same period a year earlier” (Radio Free Asia, 2008). Also,

¹⁵ The term can also be seen as a political concept since it recalled the employment system of the state-owned companies. During the Maoist era and the first stages of the reform, the SOEs provide their workers with life-time employment, housing, health care, and education. Therefore, the term “iron rice bowl” evoked to the unbreakable nature of this system.

¹⁶ The press release attributes the discrepancy between unemployment rates to the use of different statistical methods. In any case, the unemployment rate experienced by China during 2009 was regarded as official sources, as the highest over the last five years.

a study conducted by Cai and Chan in 2009 stated that the large factory shutdown, which in many cases did not pay compensations or wage arrears to their workers, created a situation of massive unemployment, increasing the volume of labor disputes —reaching 960.000 in 2008— and mass protests (p. 513). On this matter, Professor Eric Florence (2011) has asserted that:

In the face of growing conflict and unrest related to massive factory closures in 2008, local governments often tended to compensate non- payment of wages by paying such wages directly to workers instead of the employers in order to maintain social stability. What stands out clearly here is the paramount importance of the twin core principles of rule of the Party-state and how much they influence both the local governments and ACFTU's actions, i.e. maintaining a high pace of economic growth and preserving social stability (p.4).

Indeed, during the peak years of the crisis, the Chinese leadership addressed the unemployment situation in several opportunities, showing concern and acknowledging this situation as a threat to China's social stability. Respectively in 2009 and 2010, the Chinese Premier Wen Jiabao pointed out during his reports at the Central Economic Work Conference that "the employment situation remains grim" and that unemployment in 2010 "will still be serious" (as cited in Ross, 2013, p.5-6). By the same year, Wen stated during his report to the Third Session of the 11th National Congress that due to the global financial crisis, the 2009 "was the most difficult year" for China's economic development. He further claimed, that the Chinese economy "was severely affected; our exports decreased significantly; a large number of enterprises had operating difficulties, and some even suspended production or closed down; the number of unemployed people increased significantly; many migrant workers had to return to their home villages; and the pace of our economic growth suddenly slowed down" (China Daily, 2010c). After issuing this report, Wen held a press conference in which a reporter pointed out the increased issuance of loans and the housing prices as signs of a possible overheating of the economy, and, given the scenario, the possibility for the government of withdrawing the stimulus program. The Chinese Premier replied to this reflection: "You have raised a question that is indeed a cause of concern for me too. I once said inflation, if it happens, plus unfair income distribution and corruption, will affect our social stability and even the stability of state power" (China Internet Information Center, 2010).

However, the Chinese discourse on the international scene, showed a different narrative, which pictured a strong China thanks to the successful implementation of the stimulus program, while highlighted the contribution of China's economic growth to the recovery of the global economy. At the Third G20 Financial Summit held on September 2009, the Chinese President Hu Jintao remarked at the end of his speech that:

In the wake of the international financial crisis, China has adopted a host of policy measures to boost domestic demand, adjust economic structure, promote growth and improve people's well-being. These measures have produced initial results. In the first half of this year, despite the drastic contraction in overseas demand, China's GDP managed to grow by 7.1% year on year. This shows that our policy to stimulate growth by boosting domestic demand is effective. And China's economic growth has contributed to the global economic recovery (Permanent Mission of the PRC to the UN, 2009).

Besides unemployment, the inflationary pressures affecting the real estate sector and the price indices also arose major concerns among the Chinese leadership. As we have said, the stimulus program aimed at boosting domestic demand by increasing domestic consumption and promoting business investment. By doing so, China's bank system undertook a relaxed loan policy that resulted in a significant credit expansion. In January 2009, a new lending record was made, reaching 1.62 CNY trillion, twice the highest monthly level in China's history. Later, at the end of the first quarter of that year, the new loans reached CNY 4.59 trillion, which were almost equivalent to the total of new loans reached in 2008 (Zhang, Li, and Shi, 2009). Thus, the credit expansion flowed into the stock and real estate markets, contributing to expand speculation and leading to an asset bubble. Furthermore, China's Consumer Price Index (CPI) —considered as the primary indicator of inflation— also increased. In 2008 it reached 5.9%, the highest figure experienced since 1999, in 2009 the CPI drooped 0.7% from 2008, and in 2010 up 3.3% from 2009. Finally, the National Bureau of Statistics set the weight of the rent around 13.6%, which reflected the inflation in food and household service's prices (China Daily, 2010d, 2011).

The effects of China's economic stress on the Chinese people were seen in their reaction through the several mass incidents occurred in China during these years. According to Florence (2011), unofficial sources estimated that "there may

have been more than 120,000 national 'mass incidents' in 2008, which would entail a 70% increase when compared with 2008. For 2009, Chinese scholar Yu Jianrong estimated that there were around 90,000 such incidents, out of which one third are estimated to be labor-related" (p.3). These conflicts, arising from economic or social grievances, were considered by the Chinese elite as a potential source of social and political instability, as well as a threat to the CCP's performance-based legitimacy, whereby a strong sense of political insecurity grew among the Chinese elite. In this context, it is important to remember that since the Tiananmen incident in 1989, a deeply-rooted concern for regime preservation has been present in each generation of the Chinese leadership.

Hence, in a country like China a key driver of its foreign policy has been the regime preservation. As Wang Fei-Ling (2005) put it: "in the 2000's Beijing's top concern in its making of foreign policy remains the preservation of the political system of the Chinese Communist Party" (p. 669). Furthermore, as we have had highlighted before, the regime preservation rests to a great extent in sustaining economic growth and development. Hence, the leadership's statements addressing and making unemployment and inflation their "top priority" and stating that they "must make improving [sic] the people's lives a pivot linking reform, development and stability... and make sure people are content with their lives and jobs" (Hu as cited in China Daily, 2012). This statement is certainly driven by its concerns about political and social instability, and in turn, the loss of the CCP's monopoly of power.

For the fifth generation of Chinese leadership, the issue of regime preservation and CCP's legitimacy has gained increasing relevance. On the one hand, since 2012, the annual GDP growth has dropped, which has evidenced the exhaustion of the Chinese economic development model. This, in turn, jeopardizes the fulfillment of one of Xi Jinping's aims – achieving the "two centenary goals" and the national rejuvenation of China. The risks of a possible decline of the Chinese economy and the consequent non-fulfillment of expectations that China's rise has brought to Chinese people, has driven Xi Jinping to double down on nationalist narratives more so than his predecessors. The recurring appeal to the "China Dream" in his speeches and the widening of the scope of the long-standing concept of rejuvenation of the nation highlight a series of increasingly nationalist aspirations. However, as Stenslie and Chang (2016) have state, the cost of this appeal might be high should expectations not be met:

By emphasizing national rejuvenation, Xi differs markedly from his predecessors—Jiang Zemin and Hu Jintao—who carefully avoided appealing to the national feelings of the Chinese people. Nationalism is arguably the strongest ideological currency among contemporary Chinese, but appealing to this tendency is a double-edged sword for Beijing: nationalism can easily turn the people against the leaders if the nationalists begin to feel that the government is not safeguarding national interests.

On the other hand, the way in which the CCP sees its legitimacy linked to the Chinese economic development and nationalism can be considered an explanatory factor when addressing the assertive turn in China's foreign policy. Insofar as nationalist aspirations and people's expectations grow, the CCP and its leadership must present themselves to the public opinion as steadfast proponents of China's long-term goals and as unflinching leaders before other countries (Scobell and Harold, 2013). Thus, in order to meet said aspirations and expectations, the Chinese leadership shall adopt a more assertive foreign policy which generates an internal perception of external strength and confidence.

1.2.2. Exhaustion of the development model

Paradoxically, while the global economic crisis opened a window of opportunity for China's emergence as the world's second largest economy and its increased relevance in the international system, it also evidenced the weaknesses and the exhaustion of the economic development model adopted in the reform which underpinned China's economic miracle during the early 2000s. As previously stated, the reform and opening-up era has seen China developing in line with the Socialist Market Economy model (*shehuizhuyi shichang jingji* 社会主义市场经济). This model, adopted during the 14th National Congress of the CCP, outlined public property as the dominant type of property while allowing private property as a secondary and complementary type of property aiming at modernizing the country. Besides the particularity in the property regime, China's economy has benefited from strong state investment, cheap labor force, and the use of plentiful natural resources and energy. However, China has experienced over the last years a shrinking of its labor force, the rising of pollution levels, and the emergence of excess capacity in many sectors, all of which make China's economic model no longer sustainable (Quang, 2017).

Indeed, the international financial crisis and China's response through the implementation of the stimulus program showed early signs of exhaustion of the export-oriented development model. The 2008 global crisis led to a significant decline in the foreign demand for Chinese exports that the government counterweighted via public investment in the real state, infrastructure, and transportation sectors. Therefore, China embraced a growth model of ultra-high domestic investment focused on manufacturing sites, infrastructure and housing, which has fluctuated 44% to 48% of China's GDP since 2009. This investment has been subsidized by domestic debt via bank loans and shadow financing (Bibler, 2019). In a recent study, Professor David Lync (2019), highlights that China's total debt raised from \$US 3 trillion in 2006 to \$US 34 trillion in 2016. Moreover, the debt per adult increased from \$US 522 to \$US 1,298 during the 2008-2012 period, amounting to a 25.5% yearly increment. According to the scholar, this rise in the public and private sector debt allowed China to reach the GDP growth during 2009 to 2012.

The limits of investment-driven growth and the need to restructure China's economy has been acknowledged by the Chinese leadership in different occasions. In 2011, the second White Paper on "China's Peaceful Development" set the goal of "accelerating the shifting of the model growth" as a top priority regarding the achievement of peaceful development. The document stated that:

Domestic demand, especially consumer demand, will be stimulated by increasing individual consumption through multiple channels and by adjusting and improving the domestic investment mix. Industrialization, urbanization and agricultural modernization will be promoted simultaneously so that economic growth will be driven by the combined forces of consumption, investment and export instead of investment and export only. China's economic growth will be driven by the combined forces of the primary, secondary and tertiary sectors instead of the secondary sector only.

Furthermore, in President Hu Jintao's report at the 18th National Congress of the CCP in 2012, "accelerating the improvement of the Socialist Market Economy and the change of the growth model" was one of the key points that stressed the need of restructuring the growth model as a "strategic choice [...] made for promoting China's overall development [...] as the central task vital to national renewal" (China Daily, 2012).

In late 2013, the need to deepen the transformation of China's economy structure was stressed by the new Chinese leadership which took a crucial decision¹⁷ towards this goal during the Third Plenary Session of the 18th the Central Committee of the CCP. The decision aims at rebalancing the Chinese economy via further opening the economy to the world by enhancing the role of the market in China's economy. To this effect, the plenary pledged to "deepen economic system reform by centering on the decisive role of the market in allocating resources, adhere to and improve the basic economic system, accelerate the improvement of the modern market system, macro-control system and open economic system" (China Internet Information Center, 2014). Additionally, the reform of the economic system was taken by the CCP as the focus of the "*comprehensively deepening the reform*" phase. Hence, the leadership highlighted that "the underlying issue is how to strike a balance between the role of the government and that of the market, and let the market play the decisive role in allocating resources and let the government play its functions better" (China Internet Information Center, 2014).

The decision also encourages the opening-up of the inland and border areas of China, by building infrastructure connections and new transportation routes between China and its neighboring regions, which will contribute to the expansion of Chinese companies abroad and to encourage the investment of foreign companies in China. Building on these arguments, this research posits that China's foreign policy and grand strategy adjustment have been driven by both the exhaustion of China's longstanding model of economic development and the need to support the deepening of the reform. In other words, the assertive turn in China's foreign policy responds, on the one hand, to the imperative of dealing with the consequences of the economic exhaustion such as the excess capacity and imbalance of the Chinese economy. On the other hand, an assertive foreign policy will serve as a suitable instrument to promote and sustain the second wave of economic reform in China and the transitioning towards a new model of growth. In an address in May 2014, Xi Jinping enshrined this new model as the "new normal" concept which was to define China's economic growth thereon. This "new normal" model will be characterized by the "(i) transition from high-speed to lower speed growth; (ii) acceleration in the process of upgrading the economic structure; and (iii)

¹⁷ Decision adopted on 12 November 2013 by the Third Plenary Session of the 18th Central Committee of the Communist Party of China. The decision has been reflected in the document: *CCP Central Committee Resolution concerning Some Major Issues in Comprehensively Deepening Reform*, promulgated by this body.

transition from mostly relying on exports and investments to basing economic development on innovation and domestic consumption" (Quang, 2017, p. 369).

The "*comprehensively deepening the reform*" policy, which must be seen as the second wave in the reforms initiated by Deng Xiaoping, aims at further restructuring the country in the economic, political, cultural, educational and environmental fields. In this regard, this policy laid the foundations for the construction of a new era of socialism with Chinese characteristics, in which the modernization of China and its national renewal will be achieved. This policy is at the core of "Xi Jinping Thought on Socialism with Chinese Characteristics for a new era" (*Xijinpin xin shidai Zhongguo tese shehui zhuyi sixiang* 习近平新时代中国特色社会主义思想) because it links the idea of Chinese socialism and China's economy entering a new phase. During the 19th National Congress of the CCP the "*comprehensively deepening the reform*" was confirmed as a basic policy that supports the CCP's efforts to sustain and advance the "new era". This new stage in China's economy will be marked by the transition from a phase of rapid growth to a phase of high-quality development, which entails the achievement of the "two centenary goals" as the two-step plan for building China into a fully modern socialist country (Qiang, 2018).

In light of the previous, the adjustment of China's foreign policy and the full adoption of the "striving for achievement" strategy, can be observed in the change of the foreign policy priorities stated at the 18th National Congress of the CCP in 2012 vs the foreign policy priorities outlined at the Central Conference on Work Relating to Foreign Affairs (CCWRFA) held in November 2014. While in the former, the top priorities were the relations with major countries and China's relations with developing countries, at the 2014 CCWRFA, the top priorities were China's periphery diplomacy, and the building of a new type of international relations among major powers (MOFA, 2014; China Daily, 2012). This shows how the new leadership approach to foreign affairs is linked to the restructuring of the economy and its outward-looking turn. Hence, the implementation of the BRI as well as the establishment of the AIIB were accelerated after the CCWRFA. Certainly, -as this research posits- the BRI is highly motivated by the imperatives of adjusting China's economic structure, addressing the unbalanced development, boosting China's economy and export China's overcapacity, and providing new sources of investment abroad for Chinese companies.

1.2.3. Elite restructuring

This research understands elite restructuring as a repositioning of the primary elites within the power structure, which, in the case of China, can occur in two ways. The first one, when the change of leadership or the power succession takes place, which until the amendment of the Chinese Constitution in 2018, was done after completing two five-year terms. The last change of leadership was completed in March 2013 in the framework of the first session of the 12th National People's Congress, in which Xi Jinping assumed the position of President of the PRC, after having been elected by the 18th Central Committee of the CCP in November 2012 as General Secretary of the Party, and Chairman of the CCP Central Military Commission (CMC). The second one can take place given any of the following two scenarios. First, when change occurs at the institutional level within the decision-making structures of the party leading to the repositioning of the primary or secondary elites. Second, elite restructuring also occurs in the case of destitution or cessation of the functions of high-ranking party officials.

The main goal of power of succession in China is to ensure the CCP's monopoly of power and the continuity of the political system. Moreover, it is extremely important that the incoming leadership ensures that the readjustment needed to achieve the country's long-term goals does not entail a disruption of the CCP's established fundamental principles. The leadership's election is twofold: on the one hand, formal requirements based on a long career within the party and the experience acquired through the exercise of different positions within the party-state apparatus. On the other hand, informal requirements include adherence to the party mainstream thinking, loyalty to the party, and a position within the patronage network as well as a power base are essential elements when it comes to escalating within the power structure. Additionally, the decision-making process is part of an equation in which formal and informal elements are weighed against the volatility of the political game between the factions of the party. These factions are articulated on the basis of informal ties built from personal connections influenced by geographic, professional, political and ideological factors (Rios, 2012).

These two ways of elite restructuring can be both be observed in the rise to power of the fifth generation of Chinese leadership and of Xi Jinping. On the one

hand, Xi Jinping has arisen as a strong leader due to his princeling (*taizidang* 太子党)¹⁸ status and his military experience and connections, his position within the Central Military Commission, as well as his spearheading of different leading groups (*lingdao xiaozu* 领导小组) and commissions (*weiyuanhui* 委员会) in the areas of National Security, reform, foreign affairs and internet and informatization security (Blanchard, 2015). In addition to this, after the amendments to the Constitution in 2018, "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" was included in the Chinese Constitution in the same level as "Mao Zedong Thought" and "Deng Xiaoping Theory". Xi has also become the "core" (*hexin* 核心) of the Party leadership -and evoking the need to maintain stability and to concentrate towards the achievement of the "two centenary goals" in the "new era"- he managed to abolish the president's two-term limit¹⁹ established in the Constitution of 1982. These changes show the transition from a model that departs from the Party's collective leadership to a centralized leadership.

Furthermore, Xi Jinping has consolidated his power through the implementation of a set of changes at China's top decision-making bodies and by running an anti-corruption campaign that has neutralized his opponents. According to Cabestan (2019), "Xi now controls most levers of power" (p.3). For example, during the First Plenary Session of the 19th National Congress of the Party, the CCP's Politburo Standing Committee members was reduced from nine to seven since Xi Jinping upheld the age-68 retirement norm, which allowed to increase its power and keep by his side key allies such as Li Keqiang, Wang Yang, and Wang Huning. Moreover, the Political Bureau of the CCP Central Committee (hereafter, Politburo), is ruled by leaders also promoted by Xi to several CCP Central Committee departments. Some of these leaders are Ding Xuexiang and Huang Kunming respectively holding the General Affairs and Propaganda offices of the CCP. Furthermore, Xi has also seated Liu He as Deputy Director of the National Development and Reform Commission and the Central Small Leading Group for Finance and Economy. It is worth mentioning that Xi's closest allies (i.e. Li Keqiang and Liu He) belongs to the reformist faction of the Party which links this elite restructuring with the overarching goal of setting-up a

¹⁸ In Chinese politics the term is used to refer to the descendants of senior communist officials. Xi Jinping is son of Xi Zhongxun, the first Vice-Chairman of the Standing Committee of the National People's Congress, and one of the founding fathers of the CCP.

¹⁹ Respectively paragraph 7 in the Preamble and article 45 of the in force Chinese Constitution

new model of growth under the framework of the “*comprehensively deepening the reform*” policy.

As far as foreign policy decision-making is concerned, the Foreign Affairs Leading Small Group (FALSG) was turned into the Central Commission for Foreign Affairs (CCFFA). The CCFFA is composed by Xi Jinping as the leader, Li Keqiang, Yang Jiechi – China's former Ministry of Foreign Affairs, and current Director of the CCFFA, and Wang Qishan, Xi's close political ally. Regarding the foreign policy decision-making bureaucracy, since March 2018, Wang Yi has replaced Yang Jiechi as State Councilor in charge of foreign affairs, and also holds the position of Ministry of Foreign Affairs.

For the purposes of our analysis, it is important to note how both the institutional changes in the central decision-making structures and the repositioning of the primary and secondary elites are useful to look at how the narrative of the “China Dream” and the “new era of socialism with Chinese characteristics” is instrumentalized through foreign policy, and specifically through the BRI as Xi Jinping signature foreign policy initiative. Furthermore, the assertive turn in China's foreign policy not only reflects a foreign policy oriented towards the reform and transition of the Chinese development model, but also, the repositioning of the actors and their linkage to relevant sectors of the Chinese economy and the SOEs, reflects how elites use foreign policy as an instrument to obtain resources and political legitimacy.

The relevance of this category lies in the pivotal role that the change in leadership and elite restructuring has had in the foreign policy adjustment from pragmatism to assertiveness. Although we observe systemic factors such as the 2008 crises as key drivers of said foreign policy adjustment, it is also important to note that between 2007 and 2012 no new concepts were integrated into China's foreign policy whereas after the 2012 change in leadership, several new elements were mainstreamed in policy and policy-making effectively fostering an assertive turn. As we will see in chapter V, the BRI itself can account for this change in leadership as the initiative was originally framed in a specific policy background but it is only after Xi Jinping's ascension and the changes he brought about within the party elites and power structures that the BRI takes the shape, scope and nature that it has today.

CHAPTER III. CHINA'S GRAND STRATEGY: CONCEPTUAL APPROACH AND EVOLUTION

1. A conceptual approach of grand strategy

Having reviewed these opinions and events, one may ask whether a long-standing, comprehensive, and coordinated set of ideas are behind Chinese leaders' decisions. This question has, indeed, an empirical affirmative answer, as many authors have corroborated it (Wang, 2013; Chang, 2016, p. 827-33). However, since a theoretical concept gives us the advantage of analyzing, classifying, and projecting a large number of behaviors and documents under a few definitions and relations, it is worth assessing its usefulness. This instrument is the grand strategy and embraces several elements and relations under one idea.

When political scientists and internationalists refer to grand strategy, they usually agree in a broad definition which includes a set of goals and specific means to achieve them. However, this has not always been the case. Because of its military origins (Norris, 2016, p. 47), grand strategy projects the idea of planned affirmative action against a specific opposite force. This description is quite narrow and needs other related elements to get a useful meaning. From the point of the military approach, the elements were so clear that no further explanation was needed. Every threat to the state has to be checked with a particular devised strategy. The scope of application is also very specific, wartime is the only occasion to apply the doctrine. Politics and foreign policy pose a more complicated scenery, with explicit definitions and lines of action over a great number of areas. The approach is holistic and considers every available mean (including war) to reach the goals. The time span is also longer, especially because this grand strategy may contain both a historical narrative and a plan of a future society.

Now, we will define the elements of a political grand strategy. First of all, what is state's desired image? The grand strategy has not necessarily been written down by politicians. Sometimes the deep motivations of individuals and states must be inferred by scholars and composed into an ordered and hierarchical corpus. It includes long-standing objectives such as state's preservation and territorial integrity, but also others with a smaller life span, such as regional integration or the creation of

a robust middle class. Moreover, these goals include the vision of social relations inside the country. From these ideas, it is clear that changes in the grand strategy are closely related to changes in the ruling class. Grand strategy, as a process, also includes the relation of this projected vision with the achievement of some goals. As in the above definition, these goals could be explicit in different degrees and have different deadlines. Each of them corresponds to specific means. The totality of these means is the nucleus of the grand strategy. Moreover, conceptually, they are not just separated tools for different ends, but, instead, they feature dynamic interconnectivity which is not free of contradictions (Wang, 2013, p.10). Synthetizing in words of Brands (2014): "grand strategy is a purposeful and coherent set of ideas about what a nation seeks to accomplish in the world, and how it should go about doing so" (p. 3).

From this conceptual description we would like to stress three ideas that any analysis of the foreign policy can not underestimate: a) most of the national goals depends on what the current elite thinks they are (Chang, 2016; Heath, 2012, p. 54); b) these goals, differently from realism and military analysis, include a vision of the national society, i.e., the economic and social relations inside it and its links with the regime (Wang, 2013); and, c) this model society strongly influences the non-domestic goals and, therefore, the foreign policy. To sum up, grand strategy is a theoretical device built by researchers to understand state's behavior better. Indeed, policymakers might have defined a grand strategy with a certain level of consciousness, but the factual assessment to determine its pure form and reach requires an inquisitive mind. Therefore, the presence or absence of a tool with that name in the Foreign Policy does not necessarily mean that an informed observer should suppose its real existence. Instead, he has to reconstruct it from the available evidence, especially documents and political statements.

1.1. Grand strategy and foreign policy

A grand strategy serves as the intellectual architecture that shapes and structures a nation's foreign policy. As Minar (2018) has claimed, "grand strategy illustrates the rationale for undertaking foreign policy and help to set priorities of foreign policy to seek". [It] "dictates what kind of relations to be built with which region of the world and with which state through foreign policy", [and] "helps to discern strategic implication for foreign policy choices" (p. 22). In light of this, the

grand strategy has a broader scope than foreign policy, as it provides a conceptual framework for foreign policy-making and implementation, while foreign policy involves a particular set of actions or policy outcomes expressed through several initiatives such as diplomacy, foreign aid, and military actions. Therefore, what we already defined as the nucleus of the grand strategy links goals with tools under one or many rational principles. By "rational," we mean a specific causative relation perceived as such by the agent. Conceptually, grand strategy can be conceived as an ordered schema, articulating goals with social available means. From this theoretical point of view and supposing a very coherent grand strategy, its functions might be synthesized as follows: a) to give coherence to the foreign policy, b) to legitimize any social hardship in difficult times, and c) to project an specific image abroad (Buzan, 2014, p. 385).

This coherent view must be balanced against the fact that foreign policy is implemented by bureaucracy, with specific interests that may differ from those expressed in the upper echelons of the government. We cannot rule out this as a "distortion"; changes introduced in the formulation of great directives lines are part of the reality of the Foreign Policy and help to predict outcomes. A key element in the relation of Foreign Policy and grand strategy is the role of the domestic affairs in its definition and implementation. China's grand strategy features a vision of a harmonious society under the rule of the CCP. Ethnic conflicts must be avoided, and a robust economy should support middle class growth. These ideas give form to the nucleus of the grand strategy and shape the Foreign Policy. Following this idea, phrases like "calculative" strategy or similar have a contextualized meaning, that we must clearly grasp, if we want to use them usefully. Calculative strategy gives primacy to the domestic ends, such as economic growth and stability, putting aside strong conflictivity (Swaine and Tellis, 2010, p. 98). This interpretation also highlights our holistic conceptual approach and witnesses the differences with the military approach.

1.2. Defining China's grand strategy

From the previous exposition, we can now sketch a definition adapted to our case of study. In the first place, China's grand strategy includes several layers of principles adapted to concomitants foreign policies. The importance of both domestic economic growth and CCP preponderance are the two reasons behind

the substantial economic and institutional stress on the initial principles of China's Foreign Policy and its assertive turn. From a methodological point of view, Norris (2016) advises about how crucial is having a good understanding of the domestic policy to evaluate and interpret correctly the grand strategy (p. 48). The other element of the grand strategy is the set of goals. As we observed before, for theoretical and practical purposes, it was essential to know who created those goals, how explicitly were they expressed and in which documents are they. In the present case, the CCP has specific rules for this process. This partisan hegemony does not mean that the Chinese state has been unattended, but its functions have been handed over to the party (Norris, 2016, p. 48).

To get the best results with the concept of grand strategy we choose a definition that fits the particularities of our object. The main idea differentiating China's grand strategies is the level of consciousness of the leadership to express it clearly in documents and declarations. Therefore, our definition stresses, in the first place, the existence of principles and ideas with high level of coherence among them, whose design can guide specific foreign policies. Our second element is that the grand strategy elaborates the vision of the country's leadership. The CCP has built an articulated view of Chinese society and its position in the global order. Since they control the state, every available mean (diplomatic, economic, ideological, political and even military) is at their disposal and, guided by those principles of foreign policy, can be rationally employed towards specific ends. To sum up, our definition includes the idea that this architecture is used to identify long-term strategic objectives, the opportunities and threats surrounding them, and the rational guide to get the best possible outcome.

2. Context and evolution of China's grand strategy and foreign policy: From Mao Zedong to Xi Jinping.

This section aims at presenting a comprehensive overview of the evolution of China's grand strategy during the post-revolutionary era. The adoption of different foreign policies strategies throughout the Maoist and post Maoist era and the consequent shifts in China's foreign policy are analyzed to provide a coherent background to understand the rationale and motivations of China's grand strategy. These shifts are studied taking into account both the internal and external circumstances surrounding and nurturing the particular context in which those

changes took place. Undoubtedly, China's foreign policy has undergone through many changes, nonetheless, for analytical purposes, we have identified three crucial shifts and foreign policy stances during the post- revolutionary China, each one defined by its dogmatic, pragmatic and assertive orientation.

2.1. The Dogmatic Orientation in China's Foreign Policy Under Mao Zedong

During the Maoist period (1949-1976) ideology was a key component in conducting Chinese politics. Starting from the foundations by which the Chinese revolution would be erected, followed by the consequent reconfiguration of the political regime after the end of Kuomintang' rule, until how the recently founded the People's Republic of China (PRC) would approach international affairs, all those events were mostly driven by ideological precepts. On the onset of the Chinese Revolution, Mao followed the principles of the Marxist-Leninist theory, and stated the double character of the Chinese revolution: a democratic revolution inwards, and a national revolution outward²⁰. Regarding international affairs, the Leninist tradition also influenced Mao's strategic thinking in foreign policy. Since the foundation of the PRC in 1949 to the end of the 1950s, China's foreign policy stance was framed in the "leaning to one side" (*yibiandao* 一边倒) strategy. In Mao's words:

The forty years' experience of Sun Yat-sen and the twenty-eight years' experience of the Communist Party have taught us to lean to one side, and we are firmly convinced that in order to win victory and consolidate it we must lean to one side. In the light of the experiences accumulated in these forty years and these twenty-eight years, all Chinese without exception must lean either to the side of imperialism or to the side of socialism. Sitting on the fence will not do, nor is there a third road. We oppose the Chiang Kai-shek reactionaries who lean to the side of imperialism, and we also oppose the illusions about a third road (1961, p. 415).

Under the "leaning to one side" strategy, China aligned to the URSS to jointly cooperate in their struggle against the US. In this context, in February of 1950, the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance for 30 years was signed. Although China was establishing a leadership position within the communist

²⁰ Accordingly, the revolution had to go by two stages: firstly, to the establishment of the dictatorship of the proletariat through the victory of the new-democratic revolution, and secondly, the switch over to the socialist revolution. The CCP would be the entity in charge of leading the democratic revolutionary dictatorship, bringing together the working and peasant class of the country within its structure. The ultimate goal would be to eliminate all structures of the Kuomintang political regime and lead the democratic dictatorship that would lead to the triumph of the proletariat and ultimately to the triumph of socialism in the country.

bloc, its reliance on the URSS became evident. Such situation generated some fractures in the relationship, reaching their peak in the upcoming years.

By the end of the 1960's, China adopted the "fighting with two fists" (*liangge quantou daren* 两个拳头打人) strategy and Mao's strategic thinking in foreign policy was driven by the Leninist tradition that divided the world into political forces: enemies, allies, revolutionary forces, archenemies, and secondary enemies. Such categorization coupled with Mao's "Three World Theory" (*Sang ge Shijie de Lilun* 三个世界的理论), set the United States and the Soviet Union as China's major external threats (Wang, J., 2011). Such signaling must be understood in the context of the Sino-Soviet split due to ideological divergences between the URSS and China that encountered its turning point with the death of the Soviet Premier Joseph Stalin in 1953, the consequent rise to power of Nikita Khrushchev and the implementation of his "Peaceful Coexistence" doctrine (1955-1962). Finally, by the end of the 1960s, a number of events resulted in a hostile situation between China and the URSS, creating the possibility of war being waged by the two countries. Not so hostile, but also extremely conflicting, was China's relationship with the US given their distant ideological positions, the international recognition given by the US to the Taiwan, and Washington's intention of isolating China. The editorial of the magazine *Peking Review* (*Beijing Zhoubao*) issued in November of 1977, pictures such scenery asserting that "... both the Soviet Union and the United States are imperialist superpowers, the biggest international exploiters and oppressors, the largest forces for war and aggression and the common enemies of the people of the world" (p. 21). Therefore, the socialist China as a country that recognizes itself as belonging to the Third World, along with the rest of the countries of it will "... constitute the main force in the worldwide struggle against the hegemonism of the two superpowers and against imperialism and colonialism" (p. 24).

The Sino-Soviet split meant that China would have more freedom to exercise its influence as a revolutionary actor at the international level, therefore, it projected itself as a model for those Asian and African countries in the process of decolonization. Inside an international system marked by the bipolar rivalry between the US and the URSS, China would define itself as the ally for the Third World. Consequently, China oriented its foreign policy towards the developing world by supporting the newly formed guerrillas in Africa and Latin America, financing the regional communist parties, and endorsing revolutions in Southeast Asia. The "Five

Principles of Peaceful Coexistence" (*Heping Gongchu Wu Xiang Yuanze* 和平共处五项原则) -mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence-, served not only as the basis for China's foreign policy, but also as a set of values through which the developing countries would view China as a friend in their struggle against Western colonialism.

Although the Maoist China strived to carry the socialist and anti-imperialist flag inside the Third World, Chinese policy endeavors did not reach the expected goal. Moreover, the domestic scenario was marked by a relatively intense political struggle among the CCP's leadership and the implementation of a radical left-wing policy that had its maximum expression in the Cultural Revolution (*Wuchanjieji Wenhua Dageming* 無產階級文化大革命)²¹. Both facts brought about a long period of international isolation in which the political elite had to develop a self-sufficiency policy and give priority to domestic issues over the international ones. As Wang Jisi (2011) has pointed out:

China's political life in those years was characterized by recurrent struggles against international and domestic schemes to topple the Chinese Communist Party (CCP) leadership or change its political coloring. Still, since Mao's foreign policy supposedly represented the interests of the "international proletariat" rather than China's own, and since China was economically and socially isolated from much of the world, Beijing had no comprehensive grand strategy to speak of (p. 69).

Amid the struggle for power, the former Foreign Minister of the PRC -Zhou Enlai- was elected as the first Premier of the State Council of the PRC and designated as Mao's successor during the 10th Central Committee of the CCP in 1973. Zhou set forth the "Four Modernizations Policy", a program intended to promote the modernization of agriculture, industry, science and technology, and national defense. For this program to succeed, it was needed to import technology from the West major industrial countries, therefore, China needed to reinforce diplomatic ties with these countries and resume their relations. In this context, China normalized its

²¹ The Cultural Revolution as a movement had its official ending in 1969 during the IX CCP's Congress, however, its effects can be extended until 1976 when Mao died and the "Gang of the Four" is imprisoned. Although the Cultural Revolution seemed an attempt to deepen the CCP's revolutionary goals, its rationale relied on a fierce struggle for power within the Party. Through this movement, Mao undertook the purge of high cadres of the Party, managed to revive and ideologize the masses, and reinvalidate himself as the leader of the revolution.

relations with the US after several secret meetings between officials of both countries. During the visit of the US President Richard Nixon to China in 1972, these encounters were made public in the Shanghai Communiqué. China's rapprochement with the US was part of the "one united front" (统一战线) strategy which aimed at bringing together all the possible political forces against the URSS.

It is worth making some considerations about Chinese foreign policy during the Mao Era. Firstly, China's position towards the developing world in this period illustrate, a longstanding principle contained in Beijing's foreign policy statements since Mao up to now, that is, the proclamation of China as a third world country. Based on the grounds of being a nation that throughout its history has suffered the imperialist oppression and aggression²², and despite its rapid and sustained economic growth since the reform, China is nowadays still placed as a developing country in terms of its per capita income. Under Mao's rule, China assumed ideological leadership against the superpowers expansion. Today the ideological dogmas are no longer a defining component of Chinese foreign policy, but Beijing's aspirations of taking a leading role in the developing world – as the cornerstone of China's foreign policy under Xi Jinping and as a pivotal region to realize China's foreign policy goals- has persisted.

Secondly, the weight granted to ideology in managing international affairs denotes the dogmatic orientation in the formulation and implementation of China's foreign policy during the Maoist era. Therefore, during this period China's international stance was mainly outlined under the particular international and domestic circumstances at the time, and the country's strategic goals were defined in terms of political and security interests framed in ideological precepts. Accordingly, "to keep national independence and pursuing international revolution, by the means of war and confrontation", (Di, 2007) can be acknowledge as those strategic goals and the means to achieve them. Thirdly, during the Maoist era, one may observe some foreign policy actions aimed to reach concrete objectives such as safeguarding China's national security, keeping the country's territorial integrity and

²² This narrative is aligned to the "Century of Humiliation" narrative which frames to frame both China's current national concerns and its future national aspirations. China is often portrayed as having suffered three kinds of loss during the Century of Humiliation: a loss of territory; a loss of control over its internal and external environment; and a loss of international standing and dignity. Each of these represents an injustice to be rectified. Relation to the China Dream (Kaufmann, 2011).

sovereignty, and building up China's international status (Cheng and Zang, 1999). Although, in the literature it is commonly agreed that along this period China did not have a coherent grand strategy given the dogmatic orientation of its foreign policy and the absence of the concept of national interest being formally applied by the Chinese government to delineate China's strategic goals (Wang, J. 2011; Liu, 2008) the previous mentioned objectives constitutes some of the current China's long-term goals, acknowledged by the Chinese government as such by its inclusion as China's "core interests" since 2008. This fact supports one of the main arguments of this research: China's long-term goals have remained relatively constant but the means to achieve them have been changing in significant ways every time the new leadership has reached the power.

2.2. Deng Xiaoping's "radical pragmatism"

After Mao Zedong's death and the imprisonment of the "Gang of Four" (*sirenbang* 四人帮), a deep restructuring of the political regime and their elite took place. The political rehabilitation of Deng Xiaoping during the Third Plenary Session of the 10th Central Committee of the CCP in July 1977, marked the beginning of the post-Maoist era in China. Given the pragmatic orientation guiding the new leadership in their path of conducting the country towards economic reform and modernization, this period clearly distinguished itself from the Maoist era. After almost three decades of economic failure and political turmoil, pragmatism was a crucial strategic choice made by Deng Xiaoping in the late 1970s to put forward China's political and economic reform, and it continued to be the same strategic choice taken by the succeeding two generations under different circumstances. On this matter Zhang, S. (2004) has claimed that pragmatism "is a firmly goal-fulfilling and national-interest-driven strategic behavior conditioned substantially by China's historical experiences and geostrategic environment" [it is] "flexible in tactics, subtle in strategy and avoids appearing confrontational, but it is uncompromising with foreign demands that involve China's vital interest or that trigger historical sensitivities" (pp. 4-5). Thus, since Deng Xiaoping till now, the prevailing ideological precepts based on the Marxist-Leninist theory were gradually overshadowed by the leadership's estimations grounded in China's core interests.

"Crossing the river by feeling the stones" (*mozhe shitou guo he* 摸着石头过河) and "black cat, white cat, catch mice is a good cat" (*hei mao bai mao zhuazhu*

haozi jiushi hao mao 黑猫白猫抓住耗子就是好猫), understood as “It doesn't matter whether the cat is black or white, so long as it catches mice”, were Deng's maxims to express not only the gradual nature that would follow its reform program but its pragmatic character. The 12th National Congress of the CCP held on September 1982, was the occasion for the new leader to outline its program and announce China's domestic and international agenda. At the opening speech of the Conference Deng state that:

The 1980s will be an important decade in the history of our Party and state. To accelerate socialist modernization, to strive for China's reunification and particularly for the return of Taiwan to the motherland, and to oppose hegemonism and work to safeguard world peace -- these are the three major tasks of our people in this decade. Economic development is at the core of these tasks; it is the basis for the solution of our external and internal problems. For a long time to come, at least for the 18 years till the end of the century, we must devote every effort to the following four undertakings: to restructure the administration and the economy and make our ranks of cadres more revolutionary, younger, better educated and more competent professionally; to build a socialist society that is culturally and ideologically advanced; to combat economic and other crimes that undermine socialism; and to rectify the Party's style of work and consolidate its organization on the basis of a conscientious study of the new Party Constitution. These will be the most important guarantees that we shall keep to the socialist road and concentrate on modernization (The Selected Works of Deng Xiaoping, 2019)

Deng's speech hints at the structural character of the reform. His words announced three major areas of changes: the organic structure of the economy, the Party's statutes, and the Constitution, which would work as the new legal-political framework required for the implementation of the reform. It is worth highlighting that although the reform program focused on the opening-up of the country, and therefore, the modernization of its economic system, it was extremely important for the new leadership to advance in the restructuring of the political forces by establishing institutional arrangements concerning the role and function of the Party, the state, and the government respectively. The approval of the new Constitution implemented the political project proposed by Deng's reformist faction, while allowing a restructuration within the party through the rejuvenation of its cadres and the removal of some of Deng's adversaries. Furthermore, the new Constitution laid out the foundations to the setting-up of a hybrid economic model, which established the public ownership of the means of production as its basis, while allowed and

protected the private initiative for individuals and enterprises under the supervision of the state (Peña, 2013). Along the reform era, this economic model would constitute the main pillar in the building of the "Socialism with Chinese characteristics" (*Zhongguo tese shehuizhuyi* 中国特色社会主义).

In the domestic agenda, the new leadership focused on revamping the economic system and opening up the country to the outside world through a process of gradual reform. Initially, economic measures involved: the de-collectivization of the rural areas, the suppression of the rural communes, the permission for companies to accumulate part of their profits, and making their own decisions regarding prices and investments, as well as the creation of Special Economic Zones (EEZs). Thus, China's first EEZs located in Shenzhen, Zhuhai, Shantou, and Xiamen, were handled under special regulations. In general, the economic activities taking place in these areas were mainly driven by market forces, encouraged by the setting up of preferential taxes. At the same time, the establishment of foreign capital and the formation of joint ventures were allowed.

The 12th National Congress was also the occasion to define China's foreign policy guidelines and international agenda. Both Deng Xiaoping and the General Secretary of the Central Committee of the CCP – Hu Yuobang- focused part of their intervention on this matter. As stated in Deng's opening speech:

China's affairs should be run according to China's specific conditions and by the Chinese people themselves. Independence and self-reliance have always been and will always be their basic stand. While the Chinese people value their friendship and cooperation with other countries and other peoples, they value even more their hard-won independence and sovereign rights. No foreign country should expect China to be its vassal or to accept anything that is damaging to China's own interests. We shall unswervingly follow a policy of opening to the outside world and increase our exchanges with foreign countries on the basis of equality and mutual benefit (The Selected Works of Deng Xiaoping, 2019).

At his Report to the 12th National Congress, The General Secretary claimed that China will follow an "independent foreign policy"²³ (*duli zizhu waiguan zhengce* 独立自主外观政策). This "proceeds from the fundamental interests of the people of

²³ See Keith, R. (1985). The Origins and Strategic Implications of China's 'Independent Foreign Policy'. *International Journal*, 41(1), 95-128.

China and the rest of the world. It follows an *overall long-term strategy* [emphasis added] and is definitely not swayed by expediency or by anybody's instigation or provocation" (Beijing Review, 2011a). The underlying principle in China's independent, peaceful and self-reliant foreign policy, lied on advocating a foreign policy that would be to some extent independently and not aligned with both US and the Soviet Union, and consistent with China's domestic agenda. Such stance denotes a complete shift from the ideological dogmas of "war and revolution" to "peace and development" as the new guiding principle of Chinese foreign policy under Deng's era.

In light of the above, one may argue that the 12th National Congress can be considered as a turning point in the evolution of China's grand strategy and foreign policy from both a historical and analytical perspective. From a historical perspective, the speeches and declarations in this congress marked the end of an era in China's political history and the beginning of a new stage that would mean a rupture concerning the foreign policy guidelines of the Maoist era. From an analytical perspective, the 12th Congress set long-term goals and the means to attain them, which are conceptual elements of any grand strategy. These goals were defined in terms of the leadership's vision about the country's current and desirable position in the international system and the structure of this system itself. Hence, the pragmatic turn in China's foreign policy has resulted from the calculations made by the Chinese leadership in terms of the current domestic and international opportunities and constraints.

As Zhang (2012) has put it, Chinese strategic thinking "began to be framed explicitly in terms of national interests [and] such interest-based thinking was one of the defining characteristics of policy change during this period" (Zhang, F., 2012, p. 322). From this moment, Chinese leadership set China's long-term goals, such as economic growth and social development, and provide a peaceful environment for China's modernization. As far as the means²⁴ are concerned, China's foreign policy became a tool for the fulfillment of those goals, and therefore, a pragmatic position was taken regarding the international profile of China towards ensuring its domestic priorities. It illustrates how Chinese foreign policy started to be framed in the country's grand strategy. Under the concurrence of these elements, one may

²⁴ Renowned Chinese and westerns scholars have considered China's peaceful development as China's grand strategy (Wang T., 2008; Liu, 2008; Buzan, 2014; Danner, 2018)

argue that from this moment on, a grand strategy for China began to be coherently formed.

2.2.1. “Peaceful Development” as China’s grand strategy

In the aftermath of the Tiananmen crisis in 1989, Deng had to adopt a foreign policy strategy that was coherent with the handling of a complicated and changing national and international scenario. At the national level, the declaration of Martial Law on May 20, 1989 and the use of force against the protesters on June 3, resulted in a breakdown of the consensus that ended in the purge of the General Secretary of the CCP- Zhao Ziyang. The crisis also triggered a profound sense of insecurity and fear among the Chinese leaders concerning the CCP's political preservation and the political regime itself. As Wang, F. (2005) has pointed out, the Tiananmen crisis “... left a deep wound in the political memory of the CCP leadership. A combination of foreign forces with domestic adversaries, especially dissenting CCP insiders, is seen by many as fully capable of topping China's political system and threatening the physical survival of the CCP and its leaders” (p. 26). In this context, one may assert that Deng's blunt response to the incident was crucial to ensure the continuance of the reform and to preserve the CCP's mandate. Taking an ambiguous position would have led to a political breakdown and a setback in the reforms. Deng as an agile political leader, managed to controlled Zhao's purge and gained the support of Li Peng and the party's conservative wing, neutralizing this source of collapse within the Party.

At the international level, the scenario was not less intricate. In response to the incident, several western countries imposed economic sanctions against China and severely condemned the use of force by the government. Some sanctions implied depriving China of the advanced technologies, a pretty severe movement at this stage of the reforms. Simultaneously, the Chinese government endured the repercussions of the collapse and disintegration of the URSS and the ending of the Cold War. Therefore, China pursued a moderate foreign policy during the upcoming years, and Deng's strategic thinking was focused on making China's economic development and the projection of a non-confrontational international posture its top priorities. In this regard Deng claimed that:

There are many unpredictable factors affecting the international situation, and the contradictions are becoming increasingly evident. The current situation is more

complex and chaotic than in the past, when the two hegemonist powers were contending for world domination. No one knows how to clear up the mess. Some developing countries would like China to become the leader of the Third World. But we absolutely cannot do that — this is one of our basic state policies. We can't afford to do it and besides, we aren't strong enough. There is nothing to be gained by playing that role; we would only lose most of our initiative. China will always side with the Third World countries, but we shall never seek hegemony over them or serve as their leader. Nevertheless, we cannot simply do nothing in international affairs; we have to make our contribution. In what respect? I think we should help promote the establishment of a new international political and economic order. We do not fear anyone, but we should not give offence to anyone either. We should act in accordance with the Five Principles of Peaceful Coexistence and never deviate from them.

Deng's words show that economic development would continue to define China's policy agenda during this decade, but the circumstances around the changing distribution of power at the international level demanded, even more, the protection of China's political and security interests to guarantee the country's modernization. According to Buzan (2014), the central aims of China's grand strategy during Deng's era were economic development, national unification, and anti-hegemony (as multipolar world order). Furthermore, economic development was a necessary condition to sustain the legitimacy of the CCP, and -concerning the issues of Taiwan, Xinjiang, and the Tibet- achieve territorial integrity (pp. 388-389).

Deng also set forth the link between peace and development that would define China's grand strategy and foreign policy for the next two decades. The underpinning logic was that an international scenario defined by the absence of war would provide China with a favorable environment to concentrate all efforts on the reform agenda and economic development. Moreover, the aforementioned international circumstances coupled with the imbalance of the Chinese economy – price increase, dizzying inflationary pressure and high rates of unemployment- held back the reforms. To overcome such a situation, at its 14th National Congress, the CCP announced a rectification of the economic measures and deep reforms. Thus, western technology and foreign capital would be essential to the modernization of the Chinese economy, thereby, China had to strive for a favorable international environment and build regional and international cooperative relationships to: (a) overcome the diplomatic isolation that took place after the Tiananmen crisis; b)

attract foreign investment, and c) shape a favorable international environment for China's socio-economic development.

Against this backdrop, China's foreign policy during the post-Cold War era was framed under the "keeping a low profile" strategy. It was rooted in Deng's "24-character strategy": "observe calmly, secure our position, cope with affairs calmly, hide our capabilities and bide our time, be good at maintaining a low profile, and never claim leadership" (as cited in Huang, 2012), as guiding principles in the handling of Chinese foreign policy post Tiananmen crisis²⁵. These were the guiding principles in handling the Chinese foreign policy after the Tiananmen crisis, and served as "the core tenets of China's grand strategy" (Ross and Tunsjø, 2017, p. 23) during the next two decades, which among other things sought to project China internationally as a non-revisionist state, willing to engage in cooperative relations with the middle and major powers at that time. This non-confrontational position not only allowed China to prioritize economic development over military issues, but also gradually increasing Beijing's power and international status.

Therefore, one may infer from the above, that Deng Xiaoping chose the peaceful development strategy after assessing the international and domestic environment surrounding China by the 1990s. However, it was only in the 2000s when it was incorporated into the Chinese public discourse and white papers by the fourth generation of Chinese leadership. The concept was first coined as China's peaceful rise (*Zhongguo heping jueqi* 中国和平崛起), but given the suspicious perception of the word "rise" by the US and the media, the concept was changed in 2005 to China's peaceful development (*Zhongguo heping fazhann* 中国和平发展) projecting a softer image of China and counteracting the perception of its rise as a threat. Zheng Bijian, then the Vice-president of the Central Party School of the CCP, introduced the term in 2003, during his speech at the Bo'ao Forum for Asia (BFA) ²⁶:

In the twenty-five years since its reform and opening up, China has blazed a new strategic path that not only suits its national conditions but also conforms to the tide of the times. This new path enables China's peaceful rise through independently

²⁵ For a detailed analysis of the origin and meaning of the "keeping a low profile" see Chen, D. and Wang, J. (2011). Lying Low no More?: China's New Thinking on the *Tao Guang Yang Hui* Strategy. *China: An International Journal*, 9(2), 195-216.

²⁶ Zheng Bijian further developed the concept in his article: China's "Peaceful Rise" to Great Power Status published in 2005 by *Foreign Affairs*.

building socialism with Chinese characteristics, while participating in, rather than isolating itself from, economic globalization (The Brookings Institution, 2005, p. 16).

Hereafter, the concept²⁷ was presented in repeatedly occasions by the Chinese leadership (e.g. Wen's speech at Harvard University in December 2003 and Hu's speech at the BFA 2004) and put forward as a strategy by its policy formulation through the release in 2005 of the first white paper on *China's Peaceful Development Road*. The document stated that: "China will unswervingly follow the road of peaceful development [as] the inevitable way for China to achieve modernization", at the same time the paper established that China will be:

[1] Striving for a peaceful international environment to develop itself, and promoting world peace through its own development; [2] Achieving development by relying on itself, together with reform and innovation, while persisting in the policy of opening-up; [3] Conforming to the trend of economic globalization, and striving to achieve mutually beneficial common development with other countries; [4] Sticking to peace, development and cooperation, and, together with all other countries, devoting itself to building a harmonious world marked by sustained peace and common prosperity (China Internet Information Center, 2005).

Besides remarking the longstanding link between peace and development, the peaceful development strategy also recalled the economic development as a core aim for the new generation of leadership. Nonetheless, a new sense can be attributed to this aim considering China being at the peak of its economic growth and starting its integration to the global economy. After 20 years since the beginning of the reform, China's accession to the WTO in 2001, signified China's decisive opening to the global economy, its insertion into the world capitalist system, and its take-off as a global economic actor. From 2005 to 2007 China's annual growth rate went from 11.4% a 14.2%. China's GDP reached US\$ 2.286 trillion in 2005, a long way compared with US\$ 360.858 billion reached in the beginning of the 1990s (WB, 2018). In 2006, the Chinese economy surpassed the French and British economies to become the world's fourth-largest economy. Moreover, by 2004 China contributed one-third of global economic growth (Yang, L., 2013). In this respect, the aim of economic development goal acquired a global connotation since it would be

²⁷ For a detailed account of the origins and the use of the term, see Suettinger, R. (2012). The Rise and Descent of "Peaceful Rise". *China Leadership Monitor*, 12.

intimately related to China's integration to the world economy. At the same time, the globalization itself will serve as a vehicle to achieve such an aim.

Both Zheng's speech and the first white paper on *China's Peaceful Development Road*, indicates that in the 2000s the Chinese elite embraced the globalization not only by its engagement with regional and global multilateral institutions, but also became an essential part of their narrative in terms of projecting China as engaged international actor, underpinned by the logic aspirations of becoming great power. The release of second White paper on "*China's Peaceful Development*" issued in 2011, help us to elucidate such intention. The 2011 White Paper can be considered the pivotal document when making a *post hoc* rationalization of China's grand strategy because it contains a plan for China's long-term goals and the means to achieve them. The paper has an image-building purpose since aimed at projecting China as a rising power that would take a path of development different to the one taken by other rising powers that use aggression and military expansion as resources to ascend. Accordingly, the "central goal of China's diplomacy is to create a peaceful and stable international environment for its development" [making clear that China] "never engages in aggression or expansion, never seeks hegemony, and remains a staunch force for upholding regional and world peace and stability" (MOFA, 2011). Moreover, an underlying motive for this posture was preventing any confrontation or containment with the US.

Furthermore, the document defines "China's overall goal of pursuing peaceful development [as] to promote development and harmony domestically and pursue cooperation and peace internationally" (MOFA, 2011). Once again, the link between China's domestic development and a favorable external environment appears as a longstanding principle guiding China's grand strategy and foreign policy. Promoting "development and harmony domestically" may be seen as an abstract goal which in practical terms can be considered at different levels. At the unit level means improving Chinese people's living conditions; literally "improve people's material and cultural lives (...) [raise] the general living standard and quality of life of the Chinese people, [which will] enjoy full democratic rights, [and be] better educated". At the country level, this goal has been concreted in "basically realize modernization and build China into a rich, strong, democratic, civilized, harmonious and modern socialist country" . These goals will be achieved by "accelerating the

shifting of the model of growth, [...] further exploiting China's domestic resources and its markets strengths, [...] accelerating the building of a harmonious society, [...] implementing the opening-up strategy of mutual benefit, [and] creating a peaceful international environment and favorable external conditions" (MOFA, 2011).

Likewise, "pursue cooperation and peace internationally" may be seen as an abstract goal, but it is clearly defined in the foreign policies that China will follow the peaceful development: "promoting the building of a harmonious world, [...] pursuing a foreign policy of peace, [...] promoting new thinking on security featuring mutual trust, mutual benefit, equality and coordination, [...] actively living up to international responsibility, [and] promoting regional cooperation and good-neighborly relations" (MOFA, 2011). From these policies, one may infer that there are several longstanding principles in Beijing's foreign policy developed along with the overall reform era, but what turns out to be pretty relevant is the expansion of the China's "core interests", from the ones initially exposed in the 2005 White Paper. The 2011 document states that: "China is firm in upholding its core interests which include the following: state sovereignty, national security, territorial integrity and national reunification, China's political system established by the Constitution and overall social stability, and the basic safeguards for ensuring sustainable economic and social development" (MOFA, 2011). In comparison, with the 2005 White Paper, the 2011 White Paper incorporates the national reunification as a core interest.

Since the CCP is China's nucleus of power, the highest political authority rest on the party, which in turn, exert the control of the government. According to Shirk (1993), there is a "delegation relationship" in which the party is the "principal" and the government is the "agent". Therefore, the party acts as policy-maker, and the government as the entity in charge of implementing such policies, inside a hierarchical relation (Peña, 2013). Drawing from this assumption, the setting up and definition of China's "core interests" and the whole China's grand strategy and the ways to achieve it lie in the Party. In a more concrete level, China's long-term goals are determined by the Chinese leadership. As Norris (2016) has put "the definition of China's interests today and the foreseeable future is dominated by the CCP. In other words, the senior leadership of the CCP determines China's national interests. In defining these interests, the interests of the state are often conflated with the interests of the party itself" (p. 48). Furthermore, as one may understand from the examination of China's "core interests" in the 2005 and 2011 White Papers, and in the references

that have been made about it in the speeches of the Chinese elite, the “core interests” can be categorized in three broad categories: security, sovereignty, and development (Heath, 2012, p. 64).

2.3. Xi Jinping and China's grand strategy

The next stage in China's grand strategy evolution has been called the "striving for achievement" and has been synthesized in the "China Dream" narrative. Although this has been a significant change, it was not a complete rupture with previous policies. The directive nucleus of the foreign policy became more active in specific areas, but the principles and goals of the grand strategy remained relatively untouched. Core interests, China's national rejuvenation, and the strengthening of a moderately prosperous middle class are still present. Until 2008 these goals were compatible with a favorable international arena in which an eager China participated. However, the global economic crisis of 2008 radically changed this scenery. Chinese leaders' assessment of the global system yielded a somber picture of the United States as a declining power. At the same time, they also realized China's dependency on the foreign markets and how the crisis was a threat to the social system on which CCP's legitimacy rested.

Chinese leadership's answer to this perceived challenge had many angles. Domestically, economic incentives absorbed the shock associated with declining exports. At the same time, the foreign policy also changed, becoming more assertive than before. In our present study, this sort of foreign policy, understood as the positive and active attitude to reach goals, was modeled under four dimensions: (1) to place greater importance on defending core interests, (2) to be acknowledged as a main player in the international arena, (3) to assume a broad set of responsibilities, initiatives, and interests, (4) to enhance military capabilities. These dimensions, supported by their correspondent empirical facts, will help us to demonstrate how pervasive this change is and what pieces of the former policies are still standing.

Core interests have always been part of the CCP grand strategy, especially those related with the reunification and China's regional position (Korea [1950], Tibet [1959], India [1962], Vietnam [1979], Hong Kong [1997], Macao [1999]). However, as we

have already observed, the Reform and Opening Up policies put aside differences with other countries. China, an export-oriented economy, was very sensitive to conflicts and needed investments and trade to guarantee living standard improvements. In 2008 the weakness of the reform was evident. To fill the apparent vacuum of the United States in Asia, China began to state its core interest clearly. The first document containing this idea appeared in 2009 and was authored by the former Chinese State Councilor Dai Bingguo, and, although he did not include the concept of national reunification, the scope was broader than its usual definition and with domestic issues such as sustainable development. Finally, with Xi Jinping ascension to power the "China Dream" gathered the model of the ideal Chinese society and its projection abroad.

In this context, international acknowledgment would stress the China's role as a global power. As in the former dimension, the leadership developed specific actions in the pursuit of a bipolar world, with China and US on the top. These long-term activities have included rejection the US-Taiwan links (2010), criticism of the meeting between President Obama and the Dalai Lama (2010), and stronger control of the South China Sea. In the meantime, words gave facts sense and, as we previously observed a Foreign Minister Wang stated its "major country diplomacy doctrine" (2013). One risk associated with this dimension is the possibility of being perceived as a new threat. East Asia political leadership, supported by a history of relatively recent conflicts, has often portrayed neighbors as a threat. As Buzan (2014) has stated:

The general problem of China is how to increase its power without creating insecurities and fears among its neighbours and/or the other great powers sufficient either to threaten China's economic ties to the global economy, or trigger major military competition (p. 400).

The third dimension includes the goal of gaining influence through economic devices Norris (2016) has made clear the four advantages of this path: gaining influence without military power, checking the military bureaucracy inside China, attracting partners, and compatibility of goals with other countries (pp. 62-63). China's economic expansion has been wide, with multiple partners in many countries. Among these initiatives, there is one that condensed economic expansion, peripheral control, and domestic social development. The explicit goal of the Belt and Road Initiative (2013) aims to develop trade routes in the neighboring countries; however, this policy is the full implementation of the grand strategy as Xi and Wang

defined it. China Dream's ideas, real national interest, assertive foreign policy, and internal causation are the elements behind China's economic expansion in Central Asia.

Our last dimension is related to the enhancement of military capabilities. The new military doctrine shows a clear resolution to become an active tool in the tasks of achieving China's goals:

The strategic military guideline for a new era adheres to the principles of defense, self-defense, and post-strike response, and adopts active defense. It keeps to the stance that "we will not attack unless we are attacked, but we will surely counterattack if attacked", places emphasis on both containing and winning wars, and underscores the unity of strategic defense and offense at operational and tactical levels (WP, p. 9).

Guided by these principles, China's armed forces started a process to improve its capabilities with the explicit goal of "to fully transform the people's armed forces into world-class forces by the mid-21st century" (WP, p. 10). Budgetary expansion is the clearest indicator of this will. In absolute terms, China has doubled its military budget in 8 years, from US\$ 105B in 2010 to US\$ 249B in 2018 (WB). Although, in relative terms has been a small decrease and currently is below 2% of the GDP.

To sum up, the striving for achievement should be understood as a comprehensive policy inside the Chinese historical self-representation and expectations created at the beginning of the 20th century. Xi's China Dream is the re-elaboration, adopted to new circumstances, of a comprehensive grand strategy. In this sense, we can talk of an adjustment between KLP and SFA. As Wang, Z. (2013) has stated:

Compared with previous usage of the rejuvenation narrative, the Chinese Dream narrative focuses more on making China a better place, with more strength, prosperity, and advancements. This is a more positive attitude compared with the past emphasis on grievances. Therefore, the Chinese Dream can be considered as an updated version of the rejuvenation narrative, even a transition to a new narrative in the future (p. 11)

CHAPTER IV*. CHINA'S ASSERTIVE TURN IN FOREIGN POLICY: STRATEGIC ADJUSTMENT

Since Xi Jinping's ascendance to power, a "new era" on the path of China's rise as a global power was established. His speech at the 19th National Congress of the Communist Party of China (CPC) recalls the fact that China has placed itself in a perfect position to translate its economic growth into political strength and leverage. In the words of the Chinese President, the country is "closer, more confident, and more capable than ever before of making the goal of national rejuvenation a reality" (*Xinhua*, 2017a), which essentially means restoring China to its rightful place in the world as a major power. With "national revival" (*fuxing* 复兴) as a core concept, the "China dream" (*zhongguo meng* 中国梦) narrative encompasses, on the one hand, the domestic dimension that upholds Xi Jinping's vision for China's development during the next decades as well as a source of legitimacy of domestic politics; and on the other hand, the "China dream" also embraces the international dimension which refers to China regaining its lost international status as a great power and embodies the platform presenting China's aspirations of being acknowledge as a great power in the international realm as well as the instruments to achieve so.

The foreign policy priorities, principles, and initiatives tackled by Xi Jinping in his report at the 19th National Congress of the CPC in October 2017, suggest that an adjustment between the "keeping a low profile" (*tao guang yang hui* 韬光养晦) and the "striving for achievement has taken place. Therefore, the implementation of a more assertive and confident foreign policy during Xi Jinping's second term is expected. Against this backdrop, this research argues on the one hand, that there has been a continuity in China's foreign policy strategy since Deng Xiaoping to Hu Jintao, followed by a transition between the latter and Xi Jinping, and finally an adjustment, from the "keeping a low profile" strategy to the "striving for achievement" strategy since the year 2014. This adjustment involves the continuity of some longstanding foreign policy features from the previous eras such as the link between

* This chapter has already been published in the *Journal Tempo Exterior* (ISSN 1579-6582), see Peña, A. (2018), China's Assertive Foreign Policy Strategy. Insights from the 19th Party Congress, *Tempo Exterior*, Nro. 36, Vol. XVIII (II), pp. 39-53.)

a peaceful external environment and domestic development, along with the inclusion of new concepts such as a “new type of international relations” (*xinxing guoji guanxi* 新型國際關係) and a “new type of major country relations” (*xinxing daguo guanxi*, 新型大國關係). On the other hand, that the foreign policy themes and initiatives stressed by Xi Jinping at the 19th Party Congress held in October 2017, show the increasingly assertive nature of China’s foreign policy in the years to come. China will follow a more assertive foreign policy approach that will seek to deepen the foreign policy actions implemented so far, aiming at turning China into a moderately prosperous society and a developed country, as well as increasing its worldwide influence.

1. The Transition Between Foreign Policy Strategies. From “keeping a low profile” to “striving for achievement”.

Since 2012 several Chinese and western scholars have engaged in the debate about the shift from the “keeping a low profile” (KLP- hereafter) to the “striving for achievement” (SFA – hereafter) strategy. This debate has addressed different aspects of this issue such as whether there has been a shift in China’s foreign policy approach. If so, when this shift took place? May this shift be attributed to Xi Jinping’s ascendance to power and his vision of China’s regaining its rightful place in the world, or can some features of this shift be found in former generations of Chinese leadership?²⁸. This section argues that a transition between the KLP strategy adopted by Deng Xiaoping at the beginning of the 90’s, and the SFA strategy adopted by Xi Jinping in the years 2013-2014 occurred during the Hu-We era. One of the signs of this transition can be found in Hu Jintao’s speech at the Meeting Marking the 30th Anniversary of Reform and Opening Up in 2009. In his speech, he stated that “we should resolutely safeguard China’s interest in terms of sovereignty, security and development” (China Internet Information Center, 2008). This statement as we will see later indicates the definition and inclusion of China’s core interests (*hexin liyi* 核

²⁸ See YAN, Xuetong: “From Keeping a Low Profile to Striving for Achievement”, *The Chinese Journal of International Politics*, Vol. 7, No 2, 2014, pp. 153-184; SØRENSEN, Camilla: “The Significance of Xi Jinping’s ‘Chinese Dream’ for Chinese Foreign Policy: From ‘Tao Guan Yang Hui’ to ‘Fen Fa You Wei’”, *Journal of China and International Relations*, Vol. 3, No. 1, 2015, pp. 53-73; QIN, Yaqing: “Continuity through Change: Background Knowledge and China’s International Strategy”, *The Chinese Journal of International Politics*, Vol. 7, No. 3, 2014, pp. 285-314; JOHNSTON, Alastair Iain: “How New and Assertive is China’s New Assertiveness?”, *International Security*, Vol. 37, No. 4, 2013, pp. 7-48.

心利益) as a key principle of Chinese diplomacy while redefining the purpose of China's foreign policy (Wang, J., 2011).

1.1. The Basis of the KLP Strategy

The KLP strategy is rooted in what is known as Deng Xiaoping's "24-character strategy". In these 24 characters, Deng summarized the guiding principles of its foreign policy and security strategy, which can be conceived as a reaction of China to the international community's response to the Tiananmen Square crisis in 1989, as well as a way to safeguard the CPC from the breakdown of the Communist regimes in Eastern Europe. Facing this scenario "Deng urged the Communist Party of China (CPC), the government, and the people to remain calm until the implications of the changing global landscape became clear, including the manner in which the West would exert pressure on China. At the same time, he reminded the Chinese people that the environment of transition also created new opportunities for China and its economic reform agenda" (Jiang, 2008, p. 31). In this regard, it is worth mentioning that Deng's strategic thinking was focused on making China's economic development and the projection of a non-confrontational posture in the international realm its top priorities in order to integrate China into the global economy. Thus, the "24-character strategy", which commonly translated into "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", was in line with these priorities and set forth the foundations and principles for China's foreign policy during the next two decades.

Hence, China's foreign policy strategy in the post-Cold War era can be summarized in "the four *bu* (不) and two *chao* (超)" policy: (1) do not carry the flag of socialism; (2) do not become the leader; (3) do not engage in confrontations; (4) do not make enemies; (5) go beyond ideological considerations, and (6) detach from concrete events" (Zhao, 1997, pp. 114-115). According to these principles, China should not seek to replace the Soviet Union, should not become the leader of the third world countries, not seek confrontation with Western power and not get involved in conflicts, should not interfere in internal affairs of other countries, but engage them regardless its ideological orientation. A foreign policy guided by these principles allowed China, on the one hand, to focus on domestic priorities such as the economic growth and social development, and on the other hand, to develop

worldwide cooperative relationships which served to overcome decades of international and economic isolation by gradually attracting and allowing foreign investment in China. In this regard, the “open door” policy managed to expand and diversify China's foreign trade through the acceptance of foreign capital inflows and the establishment of an export-oriented economy model.

Therefore, the most noteworthy element attributable to Deng's strategic thinking in foreign policy was the understanding of the inexorable link between peace and development. Indeed, an international scenario defined by the absence of war would provide China with a favorable environment to concentrate its efforts on its reform agenda and economic growth. This strategic thinking shows a shift from the dogmatic orientation that characterized Chinese foreign policy during the Mao's era to a pragmatic foreign policy now centered on China's socioeconomic development. The “peaceful development” (*heping fazhan* 和平发展) strategy was a strategic choice made by Deng Xiaoping (Liu, 2008) to be later introduced by the Chinese Premier Wen Jiabao in 2003 during a speech at Harvard University. In his speech, Wen referenced “China's road of peaceful rise and development” to refer to the essence of China's process of opening to the world (MOFA, 2003). The “peaceful development” strategy was later formalized as a policy in 2005 through the release of first China's *White Paper on Peaceful Development Road*. The link between peace and development is evident in the text itself:

To take the road of peaceful development is to unify domestic development with opening to the outside world, linking the development of China with that of the rest of the world, and combining the fundamental interests of the Chinese people with the common interests of all peoples throughout the world. China persists in its pursuit of harmony and development internally while pursuing peace and development externally; the two aspects, closely linked and organically united, are an integrated whole, and will help to build a harmonious world of sustained peace and common prosperity (MOFA, 2005).

By this time, China had become a prosperous country with a sustained double-digit economic growth, a recent member of the World Trade Organization, a country engaged with more than 40 nations in diplomatic relations, and taking a more active role in regional and international organizations. In this regard, it is worth mentioning the foundation of the Shanghai Cooperation Organization (SCO) in 2001, as a regional initiative led by China and Russia. The launching of the SCO showed

China's will of discussing military and security themes at a multilateral level, which the Chinese government had not been willing to do before. Consequently, China's economic growth led to the need of having a better position for China's diplomatic voice and intensify its international profile. In this respect, one may understand on the one hand, that Hu Jintao started to implement a more proactive and pragmatic foreign policy, which marked the transition between the KLP and the SFA strategies, and on the other hand, that this transition also responded to the strategic thinking of linking international peace and domestic development. However, this time China could no longer be a spectator of the international stage but should rather become an actor with a more active role to ensure a peaceful international environment.

Although President Hu followed the KLP strategy, China's foreign policy turned to a more proactive approach to meet its growing power aspirations by the logic of protecting its "core interests". Hence, issues such as China's national security, national sovereignty, territorial integrity and the continuing stable development of China's economy and society were set as core interests. Based on these principles, China made first-time objections about the Obama's administration selling arms to Taiwan; criticism regarding President Obama's meeting with the Dalai Lama in 2010, and stated the maritime territorial claims over the South China Sea. In 2011, the "core interests" were formally included in second *China's Peaceful Development White Paper*. In the section *China's Foreign Policies for Pursuing Peaceful Development*, it is established that: "China is firm in upholding its core interests which include the following: state sovereignty, national security, territorial integrity and national reunification, China's political system established by the Constitution and overall social stability, and the basic safeguards for ensuring sustainable economic and social development" (MOFA 2011). According to Swaine, the use of the term "core interests" in official statements and its application to contentious policy issues "arguably signals an attempt by a stronger, more assertive Chinese leadership to elicit greater respect and defense from other nations for China's position on those issues" (Swaine, 2011, P. 11). Having included security issues as "core interests" alongside the established national interests of sustainable economic and social development, not only denotes the rise of a more confidence and assertive China in terms of its international role, but also indicates the beginning of a transition to a forthcoming adjustment in China's foreign policy approach.

Even though it is difficult to know exactly the moment in which China shifted from the KLP to the SFA strategy, there are some facts that, according to Yan (2014), questioned the effectiveness of the KSL strategy and contributed to its change. Firstly, after the Olympic Games in 2008, the international community perceived China's passive attitude as a lack of responsibility and willingness to take a more responsible role over security issues that did not directly involve China. Due to this, China faced an increasing pressure to take a more active role in the international realm. Secondly, the implementation of the Rebalance to Asia-Pacific Strategy by the Obama presidency in 2011, which defied the belief that the KLP strategy has prevented the US from considering China as a strategic competitor in the region. One immediate reaction within the Chinese academic circles was the publication of the article "Marching Westwards": *The Rebalance of China's Geostrategic* on Global Times in 2012 by the renowned Chinese scholar Wang Jisi. In his article, Wang outlined China's "March West" (*Xijin* 西进) strategy, by suggesting the revival of the Silk Road aiming at establishing a significant bridge of commerce and communication between Eastern and Western civilizations (Global Times, 2012). Wang's article should be considered as the precursor of the BRI while showing the strategic nature of this initiative which among other things will counteract the presence of US in the Chinese periphery (*zhoubian* 周边). Both facts led Chinese foreign policymakers to consider an adjustment of China's foreign policy strategy.

2. The Emergence of the SFA Strategy. Rupture or Adjustment?

The implementation of the SFA strategy evolved gradually. The first signs of its adoption can be traced in some official statements released between 2013 and 2014. Among them, there is the speech of the Chinese Foreign Minister –Wang Yi, at the Second World Peace Forum in June 2013. In this forum, Wang addressed the recognition of China as a significant international actor and therefore the role that Beijing is expected to play in global affairs and the impact of its foreign policy in the world. Referring to President Xi Jinping, Wang stated that "on the diplomatic front, it has taken new measures, put forward new ideas and presented a new image. China's diplomacy in the new era has taken on a more global perspective with a more enterprising and innovative spirit (...) [China] is actively exploring a path of major-country diplomacy with Chinese characteristics" (MOFA, 2003). This statement highlights China's reflection on the structural changes in the world and the need to develop a new approach for foreign policy and diplomacy to cope with these

changes, now from a major-power perspective. This perspective portrays China as playing an active and responsible role in the handling of international issues, and its foreign policy and diplomacy transitioning “from passively adapting to changes in the external environment to actively shaping the external environment. In other words, there is a shift from ‘responsive diplomacy’ (*fanying shi wajiao* 反应式外交) to ‘proactive diplomacy’ (*zhudong shi wajiao* 主动式外交)” (Wacker, 2015, p. 66). Another noteworthy aspect of Wang’s speech is the recognition and positioning of China as a great or major power, which has never happened before within the former generations of Chinese leadership.

Notwithstanding this new trend in China’s foreign policy, it should be noted that many elements of the KLP strategy persist in Wang’s speech, which yet again points at an adjustment rather than a rupture between the KLP and SFA strategies. On the one hand, China still regards itself as a developing country while at the same time recognizes itself as a major power. Wang’s speech pointed out the “paradoxical phenomenon” of being the second world largest economy in aggregate terms but not in per capita income, which still places China as a developing country. Consequently, “when conducting diplomacy, we must first and foremost stay focused on serving and promoting the central task of development. We must work more vigorously and effectively to create a sound external environment for completing the building of a moderately prosperous society” (MOFA, 2003). This declaration recovers one principle that has been present in China’s foreign policy since Deng Xiaoping: the link between a peaceful international environment and domestic development. In light of this, China’s peaceful development strategy has not been left behind, on the contrary, it remains of great importance within the strategic thinking of the new leadership. On the other hand, that the new leadership endorses Hu Jintao’s logic of protecting China’s “core interests” as a pillar of its foreign policy: “In the new era, China will stay committed to its independent foreign policy and firmly safeguard national independence, sovereignty and territorial integrity in its diplomacy” (MOFA, 2003). An article of Yang Jiechi, Chinese State Councilor and Xi Jinping’s top diplomat, also claims that China’s foreign policy under Xi’s era will balance China’s domestic and international considerations; it will realize the “China Dream” through the peaceful development path while acknowledging the importance of having a stable international and neighboring environment. Furthermore, China’s commitment of bringing forth a “mutually beneficial strategy of opening up while resolutely safeguarding China’s core national interests” (Qiushi,

2014), also demonstrates an adjustment, not a rupture between the KLP and the SFA strategies.

Although Xi Jinping's speech at the Periphery Diplomacy Conference in October 2013 asserts some features of the SFA strategy, it is rather his speech at the Central Conference on Work Relating to Foreign Affairs²⁹ held in November 2014, that provides the first comprehensive presentation of the essential elements that comprehend the SFA strategy. As an overarching framework, Xi stresses that China's diplomatic efforts seek to achieve China's "Two Centenary goals": "To finish building a moderately prosperous society in all respects by the time the CPC celebrates its centenary in 2021 and to turn the People's Republic of China into a modern socialist country that is prosperous, strong, democratic, culturally advanced, and harmonious by the time it celebrates its centenary in 2049" (Central Committee of the Communist Party of China, 2018) . More precisely, the first centenary goal aims at doubling China's 2010 GDP and per capita income, and the second one aims to elevate China's per capita GDP to the level reached by moderately developed countries. Once again, the link between China's diplomacy and the completion of China's domestic imperatives becomes evident as a part of the non-variable principles of the Chinese foreign policy since Deng Xiaoping.

Xi Jinping's speech articulates the prevailing trends of China's foreign policy as well as announces new concepts and elements that from our perspective show an adjustment between the KLP and the SFA strategies. For instance, Xi introduces the concept of a "new type of international relations", a notion which is regarded by the China Institute of International Studies as a "grand concept that defines the guiding principle for China's diplomatic theories in the new era" (China Institute of International Studies, 2015). Furthermore, the Chinese President emphasizes China's efforts to build a "new model of major-country relations". This idea was presented in 2013 to advance a new form of relations between great powers, especially China and the US. Regarding the elements that China's assertive foreign policy approach entails, it is noteworthy the assertion that "China has entered a crucial stage of achieving the great renewal of the Chinese nation [therefore] China should develop a distinctive diplomatic approach befitting its role as a major country" (MOFA, 2014c). This not only shows the intention of adjusting Chinese foreign policy in order

²⁹ The full text of this speech has not been released to the public. Some fragments can be found on the summaries presented by the Ministry of Foreign Affairs.

to cope with the challenges stemming from the “changing international architecture”, but also China's self-recognition as a great power. In relation to this issue, the notion of the interdependence between China and the world suggests that China's development is closely linked to the international community and it is consequently being affected by it. It also suggests that China is increasing its capacity to influence the world regarding global governance through its foreign policy actions. Indeed, the latter can be considered one of the new trends in China's assertive foreign policy. While in the past the focus was set on providing a suitable external environment for economic development, now China seeks to fulfill its development but also increase its worldwide political influence.

During his speech, Xi Jinping also addressed the characteristics of China's future diplomacy: (1) fostering a new type of international relations emphasizing the win-win cooperation approach in every aspect of China's international relations (political, economic, security and cultural); (2) democratizing international relations; (3) promoting neighborhood and multilateral diplomacy; (4) building a firm framework of major-country relations; (5) expanding and strengthening cooperation with major developing countries; (6) building a global network of partnerships by abiding the principle of non-alignment; (7) working on the reform of the international system and global governance by increasing the representation of China and other developing countries; (8) protecting China's core interests; (9) enhancing CPC central leadership on foreign affairs (MOFA, 2014c). These features are further reinforced by Wang Yi's speech at the opening ceremony of the Symposium on the International Development and China's Diplomacy in 2014. Indeed, Wang presents these characteristics as “the new diplomatic theories and practices” that China has been developing in foreign affairs since Xi Jinping came to power (China Daily, 2014). Moreover, he points out that China's diplomatic undertakings have created a favorable environment for China's domestic development. In this statement, Wang reaffirms the inexorable link between China's domestic politics and foreign policy, which constitutes one of the elements of continuity between the KLP and SFA strategies.

Chinese Foreign Minister also echoes Xi Jinping call for building a “new type of international relations” underpinned by the win-win cooperation model and a global network of partnerships. The former entails a “new approach to manage state-to-state relations in the contemporary world”, while the latter is opposed to the

concept of military alliance and aims at handling “state-to-state relations with a cooperative rather than confrontational, and win-win rather than zero-sum approach” (China Daily, 2014). An essential aspect of Wang's speech is the emphasis on some issues related to the Asian-Pacific region and China's increasing involvement in global issues. In this respect, some issues stand out, for example: the role played by China in the triple transition of Afghanistan, the negotiations on the nuclear program of Iran, the denuclearization of the Korean Peninsula, the Palestine-Israel conflict, the Syria crisis, the conflict in South Sudan, and the South China Sea issue. Furthermore, China has actively engaged in global governance issues through its active participation in regional and international forums. Undoubtedly, China's implication in all these matters shows the active, responsible, pragmatic and assertive nature of its foreign policy.

In addition to what has been previously exposed, Xi Jinping's leadership over diplomatic issues has been a significant sign of China's adjustment of strategy. He is personally involved not only in the foreign-policy making process but also in its implementation. Indeed, President Xi has been personally involved in planning and promoting “head of state diplomacy”. Professor Zhang Baouhi has claimed that “while Xi has demonstrated toughness in defending China's core interests, he has also shown himself to be an android diplomat who can pursue pragmatic foreign policies in multiple dimensions” (2014, p. 77). Hence, Xi Jinping's leadership and personal implication in foreign policy can be considered as another new element of China's assertive foreign policy. Another trait of China's current foreign policy is the launching of unprecedented foreign policy initiatives and institutions such as the BRI and the Asian Infrastructure Investment Bank. The BRI constitutes a foreign policy initiative that “aims to promote the connectivity of Asian, European and African continents and their adjacent seas, establish and strengthen partnerships among the countries along the Belt and Road, set up all-dimensional, multi-tiered and composite connectivity networks, and realize diversified, independent, balanced and sustainable development in these countries” (NDRC, 2015).

All in all, the comparison between the elements that have constituted China's foreign policy during the last four Chinese leadership generations suggests that there has been a continuity in the foreign policy strategy from Deng Xiaoping to Hu Jintao, a transition between Hu Jintao and Xi Jinping, and an adjustment from the KLP strategy to the SFA since 2014 (see figure 1). This adjustment involves the continuity

4.1. Foreign Policy Issues

A noteworthy element in Xi Jinping's report is the announcement of a "new era" for the "Socialism with Chinese Characteristics". The term has been used to denote the beginning of a new era with implications in several aspects of the country: modernization, rejuvenation, reform, governance, military, diplomacy and the Party. Concerning the implications for foreign policy, the declaration of a new era for China "makes clear that major country diplomacy with Chinese characteristics aims to foster a new type of international relations and build a shared future for mankind" (Xinhua, 2017a). Beyond this overarching goal that shows continuity with Xi Jinping's first term foreign policy, two important implications can be observed. Firstly, China's open intention and announcement to play a more active and significant role in the world. Regarding global governance, "China will continue to play its part as a major and responsible country, taken an active part in reforming and developing the global governance system, and keep contributing Chinese wisdom and strength to global governance (...) global peace and development" (Xinhua, 2017a).

In a more straightforward statement, Xi describes the new era as "an era that sees China moving closer to center stage and making greater contributions to mankind" (Xinhua, 2017a). Secondly, the China of this new era is growing confidence on the world stage, and it is not shy about setting major goals and showing its ability to achieve them. This China is a major power with "an unambiguous desire to occupy a position of global leadership alongside the United States and other major powers" (Swaine, 2018). China's growing confidence is also notorious in being presented by its authorities as a model for other developing countries. China offers its "wisdom" to these countries, as well as "approach" to solving the problems that the world faces and in doing so, accelerate its development. Neither of these instances represents and innovation in Chinese foreign policy after 2014; however, in this report, China shows a high level of confidence that stems from its outstanding capacity during the past five years of increasing its economic and military power as well as its worldwide political leverage.

Another noteworthy element of Xi Jinping's speech is the emphasis placed on military affairs. He recalled the dream of building a powerful military which in the new era means to "build the people forces into world-class forces that obey the party's command" (Xinhua, 2017a). China seeks a full modernization of its military in

terms of theory, organizational structure, personnel, and weaponry by 2035, and aims to transform its armed forces into world-class forces by 2050. It is known that during his first term Xi Jinping reorganized China's military, now he intends to go further through the reform of the career officers' system and the military service system. This statement and Xi's call for building artificial islands in the South China Sea have triggered some comments about China's warning of having to gird for a possible conflict (Buckley and Bradsher, 2017). Although Xi Jinping has asserted that "a military is built to fight [and, that] our military must regard combat capability as the criterion to meet in all its works and focus on how to win when it is called on", he has also stressed China's intention to follow a foreign policy of peace. This entails the use of diplomacy over military means in the resolution of international disputes. However, a distinctive trait of Xi Jinping's strategic thinking relies on making equally important the goals of making China a rich country and a powerful military force. His emphasis on military power and his tough position towards conflicts that involve China's core interests marks a notorious difference from his predecessors (Zhang, 2014). In his report at the 19th Party Congress, the Chinese President has claimed that China will never give up its interests and legitimate rights, and nobody should expect China "to swallow anything that undermines our interests" (Xinhua, 2017a).

That said, the link between shaping a suitable external environment through diplomacy and China's domestic development is still present as a principle that will also characterize Xi Jinping's foreign policy during his second term. Xi expressed that China "have made all around efforts in the pursuit of major country diplomacy with Chinese characteristics, thus advancing China's diplomatic agenda in a comprehensive, multilevel, multifaceted way and creating a favorable external environment for China's development" (Xinhua, 2017a). As we have stated before, this is a Chinese foreign policy principle since Deng Xiaoping. Nonetheless, two elements signal a difference in how the new leadership perceives it. Firstly, that the external environment is characterized by complex global challenges that keep the world in a state of constant change. Some trends of these changes can be noticed in countries becoming more interdependent and interconnected, the international forces becoming more balanced, and peace and development being considered as irreversible trends. Hence, Xi Jinping's report tackles in several instances topics such as the economic globalization, which China is fully committed to by promoting "trade and investment liberalization and facilitation (...) [and developing an] open economy of higher standards" (Xinhua, 2017a) to increase China's economic power

and strength. It is worth mentioning that the rationale behind this statement relies on China's reaction to the protectionist position taken by the Trump administration. China is also aware of the destabilizing factors in this complex and changing external environment, including the disparities between rich and poor countries, terrorism, infectious diseases and climate change.

Secondly, that in this changing external environment, China might be taking advantage of the opportunities of the US growing loss of influence. It is true that China advocates for a multipolar world with balanced international forces, however, the fact that the US is losing its weight regarding global governance issues has opened a window for China to increase its international influence. As Esteban (2017) points out:

Donald Trump's arrival to power has produced a deterioration in the international image of the US. China is mobilising all of the instruments of foreign policy to occupy the symbolic space which Washington has lost, especially in two domains: as the guarantor of global public goods and as a reliable and responsible partner in East Asia. In his principal foreign-policy addresses to date this year, Xi has repeatedly emphasised, if with few specifics, China's commitment to the maintenance of global public goods and, in more detail, to free trade and the fight against climate change. This movement forward by China contrasts, at least implicitly, with the weaker commitment of the US in these areas (p.5).

Furthermore, Xi Jinping's report addressed some foreign policy principles and initiatives at the core of his second term. As regards foreign policy principles, a longstanding narrative is still present which encompasses the peaceful development, the "China Dream", "shared future for mankind", win-win cooperation, global network of partnerships, a "new type of international relations", major country relations and major country diplomacy with Chinese characteristics. Concerning the foreign policy initiatives, the Chinese President highlighted the importance of the BRI, which involves 68 countries along an area that covers 62.3% of the world's population, 30% of the world GDP, 55% of the world Gross National Product (GNP) and 75% of known energy reserves. The BRI aims at a \$900 billion scheme, and about \$8 trillion is set aside for infrastructure loans (Chin and He, 2016). Until 2015, provinces and autonomous regions have invested in infrastructure planned for the BRI around 1.04 trillion RMB. In addition, the China Exim Bank and the

China Development Bank had respectively financed 2057 projects in 49 nations and 400 projects in 48 countries (Aoyama, 2016).

Since its launching in 2013, the BRI has become in China's foreign policy flagship. The call for other countries to join the initiative and jointly build the Belt and Road has been included in several official statements. Xi Jinping's report evoked this call while presenting the BRI as a platform for international cooperation: "China will actively promote international cooperation through the Belt and Road Initiative. In doing so, we hope to achieve policy, infrastructure, trade, financial, and people-to-people connectivity and thus build a new platform for international cooperation to create new drivers of shared development" (Xinhua, 2017a). Although the BRI is presented as an initiative that will foster international cooperation and trade by aiming at developing Eurasian connectivity, it is expected that as a foreign policy initiative it is linked to some China's domestic imperatives. With the deployment of the BRI, China aims at tackling some domestic challenges such as the disparity between its western and coastal regions, provide new investment opportunities for the state-owned enterprises, boost its economy and relieve its overcapacity problem, strengthen China's peripheral diplomacy and Xi Jinping's leadership. In light of this, the BRI can be considered as an instrument of China's diplomacy to dealing with China's said domestic challenges and, fulfilling the rise of China as a global power (more on this in chapter V and VI).

These innovative elements in China's assertive foreign policy are largely due to Xi Jinping's strategic thinking. Certainly, many of the principles in Xi Jinping's foreign policy represent a continuity of the foreign policy of his predecessors. However, Xi Jinping can be acknowledged for having managed to formulate coherent and strategic thinking in foreign policy. Indeed, the 13th National People's Congress celebrated on March 2018, included the "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" in the same hierarchy of "Mao Zedong Thought" and "Deng Xiaoping Theory". Concerning foreign policy Xi Jinping has introduced the following concepts: (1) a "new type of major country relations" (*xinxing daguo guanxi*, 新型大国关系); (2) a "new type of international relations" (*xinxing guoji guanxi* 新型國際關係); and, (3) "major country diplomacy" (*daguo wajijiao* 大国外交).

To these concepts, we should add two key narratives that frame Xi Jinping's politics: the "China Dream" and the "community of shared destiny". Finally, through the vision and implementation of Xi Jinping's strategic thinking, China has managed to stabilize China-US relations, improve its relations with other major powers such as Russia and European countries, increase its relations with developing countries in Africa, Latin America, and Central Asia (Yan, 2014). Furthermore, China has hosted several important summits such as the Fourth Summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA); the 2016 G20 Hangzhou Summit; the Belt and Road Forum for International Cooperation; the 9th BRICS summit and more recently, the Boao Forum for Asia. Over the past five years, Xi Jinping has visited 57 countries and received around 110 heads of states from all over the world (Belt and Road Portal, 2018). On top of these visits, the visit to the North Korean leader stands out as it constituted not only Kim Jong-un's first foreign trip but also an important step to advance in the negotiations for the denuclearization of the Korean Peninsula. Undoubtedly, these diplomatic undertakings denote the assertive nature of China's foreign policy and new diplomacy pursuing through a more active role, enhancing China's worldwide influence.

CHAPTER V. CHINA'S BELT AND ROAD INITIATIVE

China's Belt and Road Initiative (BRI) signals a shift in China's approach to foreign affairs. This approach denotes the new Chinese leadership and President Xi Jinping's intentions of implementing a more assertive foreign policy in line with Beijing's increasing role as a great power. Nowadays, China finds itself in a perfect position to use its growing economic power and political leverage to promote its foreign policy goals. Because of this, the BRI can hardly be viewed as a mere initiative but should be understood rather as a comprehensive strategy that constitutes a central piece in China's grand strategy as rising power. The BRI has also served as an instrument for realizing China's strategic foreign policy goals, as well as a vehicle to cope with domestic issues concerning China's overaccumulation crisis, security threats, and political stability. Thus, the BRI not only aims at giving a comprehensive framework to the diverse plans and policies intended to address China's domestic issues and to succeed foreign policy objectives, but also functions as an instrument to adjust China's grand strategy to shape a favorable international environment for China's socioeconomic development, to strengthen China's role on the global stage, and to accomplish the country's overall goals.

1. Unpacking the BRI: Origins, scope and framework

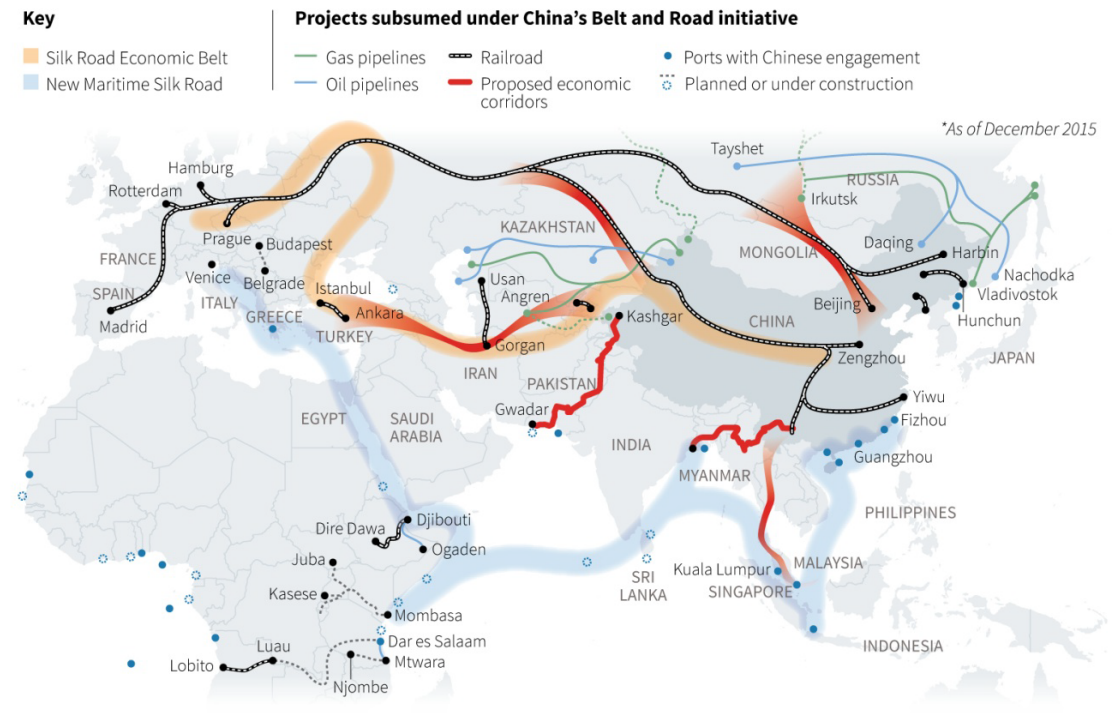
As previously stated, during his visit to Kazakhstan in September 2013, Xi Jinping proposed a new model of innovative cooperation between China and Central Asia through the jointly built "Silk Road Economic Belt". Later, in October of the same year, Xi brought forward the creation of the AIIB and the construction of the "21st Century Maritime Silk Road". Both projects are officially called the "One Belt, One Road" initiative, or the "Belt and Road Initiative" as it was rebranded in 2015. Its adoption was established in two official documents: firstly, in the 26th point of the *Decision of the Central Committee of the Communist Party of China on Some Major Issues Concerning Comprehensively Deepening the Reform*, which institutes that China "will set up development-oriented financial institutions, accelerate the construction of infrastructure connecting China with neighboring countries and regions, and work hard to build a Silk Road Economic Belt and a Maritime Silk Road, so as to form a new pattern of all-round opening" (Central Committee of the Communist Party of China, 2014).

Secondly, the document named *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*, jointly issued by different institutions within the government³⁰. This document is considered the initiative's official action plan and expresses its core objective:

The Belt and Road Initiative aims to promote the connectivity of Asian, European and African continents and their adjacent seas, establish and strengthen partnerships among the countries along the Belt and Road, set up all-dimensional, multi-tiered and composite connectivity networks, and to realize diversified, independent, balanced and sustainable development in these countries.

Thus, through a highly interconnected network of maritime and land-based economic routes, the BRI initiative engenders an economic cooperation area which extends from the Western Pacific to the Baltic Sea (Figure 2).

Figure 2- New Silk Roads Routes



Source: Mercator Institute for China Studies.
C. Inton, 24/03/2017



Source: Reuters (2017)

³⁰ National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, with State Council authorization.

The *Action Plan* points out that the “Silk Road Economic Belt” is focused on connecting China, Central Asia, Russia and Europe through Central Asia, and West Asia, and linking China with Southeast Asia, South Asia and the Indian Ocean. Meanwhile, the “21st Century Maritime Silk Road”, is planned to go from the coast of China to Europe through the South China Sea and the Pacific. On the one hand, the belt will rely on the main cities alongside the route to serve as economic trade zones in order to create the New Eurasian Land Bridge and the other economic corridors: China–Mongolia–Russia, China–Central Asia–West Asia, China-Indochina Peninsula, China-Pakistan and, Bangladesh-China-India-Myanmar. On the other hand, the road will rely on the main ports to build new routes of maritime transportation.

The geographic area covered by the BRI includes 68 countries, comprising an area that contains 62.3% of the world's population, 30% of world GDP, 55% of world GNP and 75% of known energy reserves. It aims to be a U.S. \$900 billion scheme and China is willing to lend about US\$ 8 trillion for improving infrastructure in the involved countries (Chin and He, 2016; World Economic Forum, 2017). Although there is no official list of the projects and their interlinked parts, some data found on the BRI's portal shows that at least 80 Chinese state-owned enterprises are part of the initiative and about 50 of them have financed around 1700 projects within the BRI since 2013. Approximately US\$ 500 billion worth of projects, mergers and acquisitions were announced through seven infrastructure sectors (Belt and Road Portal, 2017; Quartz Media, 2017). This data demonstrates the scope, magnitude, and potential of the initiative. The economic, political and geopolitical implications might turn out to be unprecedented. As Wu Jianmin (2015), -member of the Foreign Policy Advisory Committee of China's Foreign Ministry- has argued, the BRI is “the most significant and far-reaching initiative that China has ever put forward” (China Daily, 2017b).

The *Action Plan* has also outlined that the initiative must be considered as an open platform for all parties who wish to contribute to worldwide connectivity. “The initiative is open for cooperation. It covers, but it is not limited to, the area of the ancient Silk Road, it is open to all countries, and international and regional organizations for engagement, so that the results of the concerted efforts will benefit wider areas” (National Developmental and Reform Commission, 2015). In this respect, the AIIB has become one of the main platforms of the initiative to gain support and attract the interest of other countries apart from the 68 directly involved in joining to

the BRI. Chin and He (2016) have identified 48 countries that are already signed up to be part of the Bank or have shown their interest in the initiative. Key countries in Central Asia that are involved are Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan; other countries involved include France, Germany, Italy, Spain, Belgium, United Kingdom, Guinea, Kenya, Madagascar, South Africa, Somalia, Sudan, Australia, Argentina, Brazil, and Peru. The great powers not involved are the U.S. and Japan.

Furthermore, the initiative follows China's "Five Principles of Peaceful Coexistence", along with its own principles: (1) openness and cooperation; (2) harmony and inclusiveness; (3) market-based operation and, 4) mutual benefit. We already mentioned the first principle, which refers to any interested country and international or regional organizations being able to participate in the initiative. The second underlines tolerance among civilizations and the respect for the development strategies of each participant and support for dialogue. The third, the market-based operation, is particularly important because it establishes the commercial sense of the initiative, differing from other forms of cooperation previously proposed by China that imply international aid. Notwithstanding, the most important characteristic that differentiates the BRI from other international forms of cooperation is the central role played by infrastructure development and investment. In China's experience, investment in its infrastructure contributed to its rapid economic growth. It is clear that many of the countries involved in the initiative lack a developed infrastructure.

Moreover, the BRI has a multidimensional cooperation structure that is made up of the following areas: (1) Policy coordination: this aims to promote intergovernmental cooperation through multilevel intergovernmental macro policy exchanges and communication mechanisms, based on shared interests, mutual political trust and consensus; (2) Consolidating connectivity: this refers to the improvement of infrastructure across all the BRI countries, through the construction of aviation, port and energy infrastructures, as well as cross-border optical cable networks and spatial information passageways to expand information exchange; (3) Unimpeded trade³¹: this seeks to promote investment and trade by eliminating investment barriers and creating a free trade zone among the countries involved in the initiative. It also implies the mutual recognition of regulations and mutual

³¹ As it appears in the official document *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road* (National Developmental and Reform Commission, 2015).

assistance in law enforcement; (4) Financial integration: financial support constitutes a key pillar of the initiative. It aims to deepen financial cooperation by building a currency stability system, including currency convertibility and settlement and launching new financial institutions such as the AIIB and the Silk Road Fund and lastly, (5) People-to-people bonds: encouraging mechanisms for cultural exchange among students and strengthening cooperation in science and technology (National Developmental and Reform Commission, 2015).

Therefore, the BRI initiative constitutes a comprehensive strategy not only because of its scope and magnitude in terms of geographical size, participating countries, population involved, considerable financial resources, and its orientation to multidimensional cooperation, but also because it is an initiative that has global impact with regard to the configuration of international trade and world politics. On the one hand, the emphasis placed on infrastructure building will cause a major impact on the trade volume among the participating countries in the initiative. An increase in the influx of goods (imports and exports) between China and these countries is expected, thanks to the reduction of transportation costs brought about by the improvement of the international trade routes and modes of transportation. By 2016, 59% of China's trade traveled by sea, 22% by air, 18% by road and 0% by rail, given the high cost of the latter. Transportation costs will be considerably reduced through infrastructure improvements in land routes instead of the current sea-lines. Also, the infrastructure investment will increase the maritime connectivity between China and the countries along the new Silk Road. This is particularly important as 80% of the volume of goods traded in the world travels by this mean of transportation (Amighini, 2017: 129-133). As Amighini states:

Trade creation along the Belt and Road will occur through two major channels: on the one hand, through the expansion of trade ties between pairs of countries that are already important trade partners, facilitated by the decrease of transport costs and trade barriers; on the other hand, through new trade routes that will unlock potential trade ties among hitherto mutually isolated trading partners (p. 134).

Certainly, China's diplomacy of strategic partnerships with the BRI's financial institutions will provide those countries involved in the initiative with the necessary financial capacity to carry out specific infrastructure projects which they might otherwise not be able to develop. Consequently, the deployment of the BRI will have a considerable impact on both the configuration of global power dynamics and in

China itself, positioning the BRI not only as a cornerstone of China's grand strategy, but also the perfect instrument to achieve China's domestic imperatives.

2. Policy Background of the Initiative

China's BRI has been put forward as a broad policy yet characterized by its evolving nature. Since its launching, the BRI has evolved from a periphery strategy aiming to increase China's strategic position within the Eurasian continent, to a foreign policy initiative with a global scope. As Pauls and Gottwals (2018) has argued the BRI "is a policy initiative that connects to a broad range of policy fields with relevance to domestic economic and political reform, foreign economic policy, regional integration in South East, East and Central Asia and beyond, regional and global governance, and foreign grand strategy" (Pauls and Gottwals, 2018). In light of this, one may consider the BRI as a "fluent and evolving concept" (Interview #16) with a longstanding policy background. As Wu, Z. has stated: "the BRI brings together different policies that have been previously implemented but have not been successful due to lack of interests, economic resources, and infrastructure" (Interview # 17).

As Shambaugh suggest, "China's global expansion did not occur by happenstance" (2013, p. 5). It can be seen as an outcome of the CCP and different policies propelled by the Chinese government during the reform process. Certainly, the intention was initially launched in the 3rd Plenary Session of the 11th Central Committee of the CPC in December 1978 through the "reform and opening - up" policy. Then, by the beginning of the 2000s another policy was launched in this direction. This time the "going out" policy (*Zou chuqu* 走出去) signified the Chinese government's encouragement to Chinese enterprises to "go out" and set global prospects.

This "going global" strategy aims to assure a path of development for China in the new century -and although it comprises economical, diplomatic, cultural, geopolitical and military edges- its main axis is the integration of China to the global economy and governance. Hence, it can be conceived as a path which has its beginnings in the foundation of the reform era in the late 1970s until now. Thus, from 1978 to 1992 with the celebration of the 14th Chinese Communist Party Congress, China went from a gradual process of reform and economic opening to a stage of

acceleration of their reforms through the adoption of the socialist market economy along with an incipient integration to the free market global economy.

The adoption and performance of the socialist market economy model implied the restructuration of the larger state-owned enterprises (SOEs), the privatization of public enterprises, the legalization and recognition of private property, the opening to private and foreign direct investment (FDI), price liberalization and financial and tax reform. Nevertheless, some conditions were missing to fully integrate the country into the international economy: the adequacy of China to the rules of the free market economy through its accession to the financial international organizations. China was already a member of the International Monetary Fund (IMF), World Bank, and the Asia-Pacific Economic Cooperation (APEC); but the recovery of its membership in the World Trade Organization was necessary³².

Alongside China's pending accession to the WTO, the "going out" policy was officially launched by Premier Minister Zhu Rongji during his annual report to the National People's Congress. Zhu intended to encourage Chinese companies to invest abroad and use this policy as a platform to make the Chinese companies more competitive in the world economy context. Afterwards, this policy was outlined in the 10th Five Year Plan (2001-2006) as one of the main areas for China's route to globalization. The objective of this policy was to establish a platform for Chinese companies to compete with foreign companies. The policy continued to trace its economic and political significance, given its inclusion also in the 11th and 12th Five Year Plans (2001-2005 and 2006-2010). Nonetheless, the scope of the objectives involved in the policy changed. The slogan went from "going further outwards" (*jinyibu zouchuqu* 进一步走出去) to "accelerating the implementation of the strategy in order to go out" (*jiakuai shishi zouchuqu de zhanlue* 加快实施 走出去的战略) (Vendryes, 2012). As we will see in Chapter in the next section one of the rationales behind the BRI is the search of new markets and sources of investment for the SOEs.

³² In 1947 the former Republic of China was a contracting part of the recently created GATT. However, their formal separation occurred after the Chinese Revolution in 1949, since the newly formed government of Taiwan announced in 1950 that China was withdrawing from the GATT, in spite of the government in Beijing never recognizing that decision. Thus, for over thirty years, the Chinese government did not care about taking its place in the GATT, due to the ideological orientation of the regime and its rejection to the capitalist world order.

In 2001, under Jiang Zemin's administration launched the "Great Western Development " (*xibu da kaifa* 西部大开发) was launched. This program covers the provinces of Guizhou, Qinghai, Gansu, Shaanxi, Sichuan and Yunnan, and the autonomous regions of Guangxi, Ningxia, Tibet, Inner Mongolia and Xinjiang, aiming to reduce regional inequality and the interior regions' discontents, to stimulate domestic demand, to improve the performance of SOEs, and to ensure national security and unity (Lai, 2002). Under this policy, the launch of infrastructure projects such as the Xinjiang-Shanghai pipeline and the establishment of urban hubs have enabled interconnectivity and trade between China and the Central Asian countries. It is now expected that thanks to the formidable resources, institutions and inclusive narratives that it presents, the BRI will be able to strengthen the goals pursued by the Great Western Development Policy as well as to further reduce these inequalities between the eastern and western regions of the country.

The BRI is also rooted in China's periphery policy (*zhoubian zhengce* 周边政策). As Bhattacharya has stated, this policy "has remained a salient aspect of state formation and foreign policy making of the post-1949 China. Under Xi Jinping, it has acquired a preeminent foreign policy goal" (2016, p. 1). To this effect, the BRI can be seen as a part of China's periphery policy, but now framed in the context of a more assertive foreign policy and grand strategy, and also as a reaction of the changing international dynamics. China's reaction to the rebalancing of the U.S. Asia-Pacific strategy, has also highlighted the importance of China's periphery policy. This latter is linked to the reassessment of the Chinese periphery through the publication of the article "*Marching Westwards*": *The Rebalance of China's Geostrategic* on Global Times in 2012 by the renowned Chinese scholar Wang Jisi. In his article, Wang outlined China's "March West" (*Xijin* 西进) strategy, by suggesting the revival of the Silk Road aiming at establishing a significant bridge of commerce and communication between Eastern and Western civilizations. Wang's article should be considered as the precursor of the BRI while showing the strategic nature of this initiative which among other things will counteract the presence of US in the Chinese periphery (*zhoubian* 周边).

3. China's Domestic Imperatives and the BRI Rationales

As previously stated, China's BRI is also driven by the attainment of Beijing's domestic imperatives. As a foreign policy initiative, the BRI is expected to have domestic imperatives at its core, which are linked to economic, security and geopolitical issues that need to be addressed. In this respect, one may understand that there is an economic, security and political rationale driving the BRI. China is trying to open up new economic routes abroad aimed at developing the western parts of China, searching for alternative investment opportunities abroad for state-owned enterprises, and sustaining the second wave of economic reforms in order to internationalize and boost its economy. The "opening-up" reform ushered in the adoption of an export-oriented development model that stressed the comparative advantages of China's eastern provinces in terms of population and industrialization. A notorious consequence has been the economic imbalance and disparities between the coastal region and the western area. In 2014, the per capita income in the western provinces (i.e. Guizhou, Qinghai, Gansu) was slightly less than half of that of the eastern provinces of Zhejiang, Guangdong, and Fujian, and barely one third of that of Shanghai and Beijing. Furthermore, in 2016, gross domestic product by region in the western provinces was only a third of the GDP of the previously mentioned eastern provinces (National Bureau of Statistics of China, 2016; Statista, 2016).

The search for alternative investment opportunities abroad for Chinese companies, especially for SOEs³³, is also part of the economic rationale behind the BRI. Since the reform and the establishment of the socialist market economy system, the SOEs have played a significant role in the growth of the Chinese economy. During the early 1990s, China's economy experienced a transition to a hybrid economic model, which gradually gave way to private property, but the consideration of public ownership as the base of the national economy prevailed

³³ According to the Chinese government, the SOEs are defined as "non-corporation economic units where the entire assets are owned by the state and which have registered in accordance with the *Regulation of the People's Republic of China on the Management of Registration of Corporate Enterprises*" (National Bureau of Statistics of China, 2002). SOEs are owned either by central or local governments. A broader category is known as state-holding enterprises. This category includes "state-owned enterprises, state-funded corporations and state-owned joint-operation enterprises, and enterprises in which the percentage of state assets (or shares held by the state) is larger than any other single shareholder of the same enterprise" (Fang and Hope, 2013: 7)

(Peña, 2013). Consequently, China's productive apparatus was mainly in the hands of state-owned enterprises, most of them operating with losses. Because of this, the government initiated a process of gradual transformation and restructuring of the SOEs, starting in 1996 with the "grasping the large and letting go the small" (*zhuada fangxiao* 抓大放小) campaign. Through this campaign, the central government kept control of the largest, most important SOEs in the country while allowing local governments to handle the restructuring of the small SOEs by selling, merging or closing many of them.

According to the U.S. Department of Commerce (2017), the number of SOEs³⁴ in China is approximately 150,000, of which 33% are controlled by the central government and the rest by local governments. These enterprises account for 40% of China's GDP. Of this 33%, around 115 enterprises are controlled by the central government's State-owned Assets Supervision and Administration Commission³⁵ (SASAC). These central SOEs are in strategic sectors of the Chinese economy such as defense, electricity, oil and petrochemicals, construction, shipping, telecommunications and civil aviation (Fang and Hope, 2013: 8). The SOEs represent 60% of China's 500 largest companies and about 10% of *Fortune Global* List's 500 companies. It should be noted that the State Grid Corporation of China (SGC), the China Petroleum & Chemical Corporation or Sinopec Limited, and the China National Petroleum Corporation (CNPC), which are all state-owned and transnational companies, are ranked second, third and fourth on the list (Lin, 2013; Fortune, 2017). Furthermore, these companies are on the list of companies carrying out projects under the BRI. On the other hand, there is some controversy about SOEs obtaining preferential treatment in terms of access to bank capital, especially ones from state-owned commercial banks, which additionally provide SOEs with low-interest loans and debt relief. SOEs also enjoy favorable tax treatment, considerable injections of capital from the government when needed, and can also take advantage of specific policies designed to improve their competitiveness, involving the licensing and allocation of contracts in the Chinese market (Szamoszegi and Kyle, 2011).

³⁴ The author assumes that this source uses the term of SOEs and state-holding enterprises indistinctly.

³⁵ SASAC is a commission of the State Council that manages the state-owned assets and holds the shares of the central SOEs on behalf of the state.

That said, it is important to highlight that Chinese SOEs are rooted in the state-controlled network beyond shareholding ties. Indeed, there is an inherent tie between the SOEs and the party-state system in terms of governance, which often translates into the supervisory officials of these companies being nominated by the government and the establishment of other institutional bridges between the administration and the SOEs. As Lin (2017) states:

An additional institutional bridge between the large SOEs and the government is the practice of reserving a number of positions in several elite (if functionally obscure) government and party bodies for leaders of the national groups [...] For example, the Party Committee of SASAC nominated 52 top managers as representatives of the current (18th) National Congress of the Party [...] As noted, the Party also plays a major role in personnel appointments in the national business groups. One-third of the employees in the national SOEs are members of the Party, and Party organizations exist within each level of the business group hierarchy (590-591).

Under President Xi's administration, this situation has intensified. In his speech at the Working Conference on the Construction of the State-owned Enterprises held in Beijing in October 2017, he pointed out that: "party leadership and building the role of the party are the heart and soul of state-owned enterprises [...] We must unwaveringly uphold the party's leadership of state-owned enterprises, give full play to the leading and political core roles of the party organizations in the enterprises, ensure that the party's and state policies are implemented in state-owned enterprises" (Xinhuanet, 2016b, own translation).

Such a statement shows that maintaining control over Chinese SOEs is still an imperative for China's leadership despite the ongoing reform of the SOEs. SOEs are just as central to the performance of the Chinese economy as they were at the beginning of the reform era, and they are of course instrumental to guaranteeing the party's leadership. On the one hand, SOEs serve as an instrument to China's leadership insofar as they contribute to the achievement of vital economic and social policies. For example, as well as constituting the flagship of China at the international markets, SOEs help maintain social stability by creating jobs and offering social assistance. On the other hand, SOEs represent a space for the party to continue to exert control over key sectors of the Chinese economy and to reaffirm the Party's rule. According to Xiao Yaqing, the director of the SASAC, "Communist Party Members at state enterprises form the 'most solid and reliable class foundation'

for the communist party to rule the country" (South China Morning Post, 2017). About 80% of the executive directors of the central SOEs are Party members. Selecting the senior executives of these companies from different government bodies (National People's Congress, Political Consultative Conference and National Congress of the CCP) is a practice institutionalized by the Chinese government and has been contemplated within the guidelines that regulate the SOEs established by the SASAC³⁶.

Xiao Yaqing has also stressed the importance of the central SOEs as a driving force for the implementation of the BRI: "SOEs are the market backbones. They have their own plans and strategies for the Belt and Road drive, in addition to the country's overall blueprint for the initiative" (China Daily, 2017c). As reported by the same source, 42 central SOEs have participated in 1,676 projects in the framework of the BRI. This illustrates that the BRI has enabled SOEs to find new investment markets abroad while laying the foundations for the internationalization of the Chinese economy and the transnationalization of the SOEs and the elites who run them. Both aims have been included in China's "going out" (*zou chuqu* 走出去) policy launched in 1999 introducing the Chinese government's encouragement to Chinese enterprises to "go out" and tackle global prospects. One key step on this path of transnationalization will be the internationalization of the Renminbi. Until 2015, the People's Bank of China had signed over 30 swap agreements with foreign central banks, for a total value of US\$ 468 billion (The Diplomat, 2017). With the BRI, this trend will continue to the extent that swap agreements are included in broader agreements of their terms. A study conducted by Zhang et al. in 2017 states that swap agreements between China and the countries along the Belt and Road would increase bilateral trade values between China and such countries by more than 30%.

Boosting the Chinese economy and dealing with its overcapacity is another domestic imperative linked to the BRI. It is known that after a long period of double-digit economic growth, China is now experiencing a period of economic deceleration known as the "New Normal". This idea lies at the core of the understanding that is essential for the country to improve sustainable growth, even if that implies an economic slowdown. Against this backdrop, China's BRI "... aims to boost China's slowing economy by developing new markets and generating

³⁶ Paragraph 20 of the document: *Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities*.

demand for the country's over-capacity in aluminum, steel, construction and other industries" (International Crisis Group, 2017: 3). The lack of infrastructure in Central Asian countries is a perfect match for Beijing's needs for investment in construction and infrastructure projects abroad. Moreover, this infrastructure development not only helps open up new markets in Central Asia and boost foreign demand for Chinese products, but also presents Chinese state-owned companies with new opportunities to invest abroad.

Although the BRI's narrative has stressed its core goal of developing Eurasian connectivity and providing the means to foster its economy and infrastructure, the BRI's security rationale is structured around some domestic imperatives linked to tackling security threats, ensuring access to energy resources and reinforcing China's peripheral diplomacy. In terms of security threats, the integration of Xinjiang into China and the consolidation of its territorial, political, economic and cultural control over the region has been a longstanding goal of the Chinese government, ever since the establishment of the PRC. To achieve this objective, China has developed "a 'double-opening-approach' to simultaneously integrate Xinjiang with Central Asia and China proper in economic terms and to establish security and cooperation with China's Central Asian neighbors" (Clarke, 2016, p. 304). In light of this, the BRI is not only driven by this imperative but also represents the platform from which it could be attained. The BRI gives Central Asia a role as a strategic region while appearing to be an extension of China's periphery policy (*zhoubian zhengce* 周边政策). Through this policy, China has been nurturing its political and economic relationships by implementing bilateral trade agreements and the concession of loans to support diverse infrastructure projects.

Apart from that, there are broader security and strategic considerations also driving the initiative: principally to counter the influence of the US in China's periphery. The rebalancing of the U.S. Asia-Pacific strategy by the Obama administration in 2011 encouraged China to respond strategically with respect to its positioning in Asia. To this effect, the "March West" (*wijin* 西进) strategy formulated in 2012, proposed the revival of the Silk Road as an important bridge for communications and commerce between Eastern and Western civilizations and supported the strengthening of the great western development program in order to establish an overall strategy to achieve: (a) the opening of supply channels of oil and gas through the construction of a new Silk Road; (b) increasing cooperation with western countries through

establishing economic assistance and a cooperative development fund; (c) counteracting the threats to stability and harmony in Xinjiang and Tibet brought about by implementing a strategic barrier, and; (d) fostering investment in foreign countries as well as strengthening social and cultural exchanges (Global Times, 2012). In light of this, the BRI should not be conceived as an isolated project but should instead be understood as a comprehensive strategy, one that among other aspects, will counteract the weight of U.S. hegemony in the Chinese periphery.

Finally, the BRI is also driven by the imperative of strengthening Xi Jinping and CCP's leadership. Since Xi Jinping's took office, he has proposed modernizing the Chinese government system and its governance capacity as part of the "comprehensive deepening" of the reform³⁷. In this respect, the reform of the political system can be understood as the reform of the Party itself. Due to the nature of China's party-state system, the CCP is at the heart of all political and therefore government decisions. Everything seems to indicate that President Xi Jinping intends to deepen this feature of inseparability between Party and government through the reform. According to Gore (2016), the integration of the public administration into the Party is not only key to perpetuating its leading position within the system, but also prevents the government from becoming a center of power that can challenge the Party. Furthermore, recent amendments to the Constitution, including Xi Jinping's thinking on a "new era of socialism with Chinese characteristics", and the abolition of the limitation of the presidential term to two terms, show the transition from a model of collective leadership within the Party to one of centralized leadership.

All in all, the BRI as a foreign policy strategy that responds in large part to a series of the following domestic factors: (a) a search for new trade routes abroad aimed at developing China's western region, (b) a search for alternative investment opportunities overseas for state-owned enterprises (SOEs), (c) sustaining the second wave of economic reforms in order to internationalize the Chinese economy and deal with its overcapacity problem, (d) mitigating some threats to national security;

³⁷ Decision adopted on 12 November 2013 by the Third Plenary Session of the 18th Central Committee of the Communist Party of China. The decision has been reflected in the document: *CCP Central Committee Resolution concerning Some Major Issues in Comprehensively Deepening Reform*, promulgated by this body. This document supports the second wave of reform, which includes a restructuring of the country in the economic, political, cultural, educational and environmental fields, in order to lay the foundations for the construction of a new era of socialism with Chinese characteristics, in which the modernization of China and its national renewal will be achieved.

(e) guaranteeing China's access to energy resources, (e) strengthening China's peripheral diplomacy, and (f) strengthening Xi Jinping's leadership in leading China to the completion of its rise to become a global power. Additionally, the launch of the BRI corresponds to a crucial stage in the political history of China and its "path for socialist modernization". During this stage, the realization of the "Chinese Dream" and the "deepening of the reforms" in the economic and political spheres converge into a framework of what Xi Jinping has called "a new era of socialism with Chinese characteristics." The Chinese leadership has seen that China is in a "period of strategic opportunities"; this was recently called by Xi Jinping a "period of historic opportunities", based on his approach of integrating China's domestic politics and its international relations.

4. The Policy-Making Process of the BRI

As previously stated, the Belt and Road Initiative can be seen as an instrument for China's grand strategy which serves as evidence of the adjustment in Chinese foreign policy. This adjustment sees the preservation of traditional foreign policy elements established from Deng Xiaoping to Hu Hintao as well as the appearance of new guidelines or means to an end under Xi Jinping. This foreign policy adjustment is also particularly salient in the policy-making of the BRI, as it is implemented under an era of leadership change in the context of the 18th Party Congress which saw Xi Jinping ascending to a level of power comparable to that of Mao Zedong. With Xi, China's policy-making structure now reflects two parallel processes of fragmentation centralization.

From a structural point of view, one may argue that during the opening-up that during the opening-up and reform period, China's policy-making structure underwent a fragmentation process in which several governance and bureaucratic departments and organizations were instituted in order to prevent the concentration of arbitrary individual power and improve the implementation of the specific reforms required during said opening-up period. Traditionally, during this period, foreign policy-making was dominated by the security and military sectors of the CCP, and decisions required consensus achievement among different organizations with differing objectives and interests pertaining to various policy areas, governmental sectors and hierarchies. This helped diversify the overall development of policy-

making but it also meant that decisions and implementation are complex, often slow processes of decision open to arbitrary negotiations between interest groups.

This structural fragmentation tendency has continued under Xi Jinping's mandate, yet it has been accompanied with a centralization of policies and objectives enforced via a leadership change and other reforms such as the reduction of the Standing Committee from 9 to 7 members, the prioritization of economic areas and leading roles, and most importantly the creation of specific Leading Small Groups (LSG). The LSG are ad hoc supra-ministerial bodies which aim at advising the Party Politburo on policy and coordination of the implementations of policy decisions made by this organ. In a nutshell, LSGs work both as coordination bodies for the plethora of ministerial, provincial and SOES interests' and as implementation instruments of the top Party directives.

Through these changes, Xi Jinping has enforced a centralized vision of his China Dream and, with the support of the reformist Party elites has positioned the BRI as China's flagship endeavor and the world's most ambitious interregional project. Since its presentation in 2013, the BRI has increasingly attracted attention at the highest levels of Chinese policy-making. For example, as early as 2014, the Central Economic and Finance Leading Small Group (CEFLSG), which is headed by Xi Jinping, dedicated a meeting to the topic while the National Development and Reform Commission published a series of blueprint documents on the BRI including the 'Vision and Action on Jointly Building the Silk Road Economic Belt and 21st-Century Maritime' (NDRC, 2015). The BRI was also heavily mentioned in the two reports coming from the last two Central Economic Work Conferences. Given the rationale and magnitude of the Initiative, the economic and diplomatic aspects of Chinese policy-making have come to the fore in the unfolding of the BRI policy-making.

This can be observed in the exemplary case of the Leading Small Group for Advancing the Development of the One Belt One Road, later called the Leading Small Group for Promoting the Belt and Road Initiative, which will be referred here as Belt and Road Initiative Leading Small Group (BRI LSG). Established in 2015 under Xi, the group was headed by Zhang Gaoli, the vice-premier and top-ranking member of the Standing Committee of the CCP Politburo, which focuses on economic issues. Zhang can be regarded as Xi Jinping's right hand and is tasked with guiding the

correct implementation of the BRI according to Xi's vision. Although China's Ministry of Commerce and the Ministry of Foreign Affairs are two major ministries involved in the in the implementation of the BRI, the NDRC is in practice the main entity in charge of its implementation (Interview #12). Neither the military nor the security apparatus plays a prominent role in its implementation. Having a domestic institution concerned with the daily management of the BRI also shows that the main focus of the initiative is on economic affairs. This latter signals the character of the BRI as a foreign policy initiative that responds not only to China's international agenda but the domestic agenda, in a broader context of the "comprehensively deepening the reform" policy.

Finally, the initiative lacks from a consolidated inter-organizational and central-local coordination mainly due to its cross-policy character. Therefore, many aspects of the policy are being formulated and implemented at a different pace and at different levels of the government, involving a large number of actors and interests which can often be contradictory. In the long run, this lack of internal coordination and coherence may weaken the progress already made and jeopardize the scope of the BRI in terms of achieving China's grand strategy goals. On this matter, Professor Qu Bo has stated that the BRI has changed how central government and local governments are related regarding the BRI's implementation. Within the BRI framework, each province can design how to implement the initiative via its own plans (Interview #12).

CHAPTER VI. UNDERSTANDING CHINA'S GRAND STRATEGY AND THE BELT AND ROAD INITIATIVE IN CENTRAL ASIA

The notion of China's "core interests" (*hexin liyi* 核心利益) proves to be relevant to understand China's long-term goals in the context of its grand strategy³⁸. As China has assumed a more assertive and influential position on the international stage, the concept of "core interests" has been broadening and is increasingly invoked in official documents and statements. The second white paper on "*China's Peaceful Development*" issued in 2011, provides an extended and structured list of China's "core interests", that is: "state sovereignty, national security, territorial integrity and national reunification, China's political system established by the Constitution and overall social stability, and the basic safeguards for ensuring sustainable economic and social development" (MOFA, 2011).

For his part, President Xi Jinping has stressed Beijing's intentions to broaden and not compromise its "core interest" by claiming that China "will never give up its legitimate rights and interests. No country should ever expect China to trade off its core interests or swallow the bitter fruit that undermines its sovereignty, security and development interests" (Xinhuanet, 2017a). Having this in mind, one may understand that safeguarding national sovereignty, national security and territorial integrity (i.e. Taiwan, Tibet, Xinjiang, Inner Mongolia, South China Sea issues) are the most important core interests. However, the logic behind it, it is not only defensive but also seeks to project China's growing power and its assertive character across China's continental and maritime periphery, while gradually shaping the international order to better sustain the rise of China and the country's socioeconomic development.

Against this backdrop, the Central Asia region holds a strategic significance concerning China's grand strategy and the BRI's three respective rationales. As for the economic rationale, China is seeking to open up new economic routes abroad

³⁸ Since the Hu-Wen era, China's core interests has been anchored to China's "peaceful development" (*heping fazhann* 和平发展) grand strategy, nowadays with Xi Jinping's ascendance to power, these core interests are also adapted to the "China Dream" (*zhongguo meng* 中国梦) narrative and the emerging China's assertive grand strategy. Such adaptation involves the setting up of long-term strategic goals such as the positioning of China as a global leader in terms of development, innovation and military power.

aimed at developing its western region, is searching for alternative investment opportunities overseas for the Chinese state-owned enterprises (SOEs) and is sustaining a second wave of economic reforms in order to internationalize the Chinese economy and deal with its overcapacity problem. As regards the political rationale, strengthening Xi Jinping's leadership and maintaining the Chinese Communist Party (CCP) as ruling power are at the core. Since Xi Jinping's took office, he has proposed modernizing the Chinese government system and its governance capacity as part of the "comprehensively deepening the reform"³⁹. This reform can be understood as the reform of the Party itself and involves the integration of the public administration into the Party. This is not only crucial to perpetuating the CCP's leading position within the system, but also prevents the government from becoming a center of power that could challenge the Party (Gore, 2016).

Lastly, the BRI's security rationale is structured around some domestic imperatives linked to tackling security threats, ensuring access to energy resources, reinforcing China's peripheral diplomacy (*zhoubian waijiao* 周边外交), and counteracting the influence of the US in China's periphery. To this effect, Central Asia holds a strategic meaning for China as: (1) a contiguous area to demonstrate its strengths as a great power, in a region historically considered as an area of influence of Russia and the US, (2) a bridge to Europe and the Middle East as well a continental access route to Western Asia, (3) a good source and supplier of raw materials and energy resources, (4) a new market for Chinese products, (5) a territory for Chinese state-owned enterprises with endless investment opportunities, and (6) an area to further control a latent threat to China's national security due to the separatist movements, rising nationalism and the growth of extremist organizations in its periphery.

1. China's Engagement with Central Asia. A Three-Dimensional Approach

Ties between China and Central Asia date back to the Han Dynasty (206 B.C. - 220 A.D.), when the great Emperor Wu carried out the conquest of the Confederation of the Hsiung-un nomadic tribes. Later on, the establishment of the Silk Road created a bridge between China and the Roman Empire through these newly conquered lands, while laying the foundations for the geopolitical importance

³⁹ Decision adopted on 12 November 2013 by the Third Plenary Session of the 18th Central Committee of the Communist Party of China.

of the Central Asia region for China. However, this longstanding interaction was sharply affected in the 20th Century due to a turn taken by Sino-Soviet relations at the beginning of the 1970s. The gradual closing of the four trade border areas in Khorgos, Turugart, Jimnay, and Baktu -established under the China-USSR Agreement in 1949- resulted in the total cessation of border trade between China and the region (Swanström, 2007: 386). This interruption lasted until 1982 when business ties resumed. Still, it was not until 1986 that China formally acknowledged them in the context of its "opening-up" reform (*Gaige kaifang* 改革开放). During the 1990s, the new scenario turned out to be quite different. On the one hand, the collapse of the USSR and the birth of the post-Soviet states of Kazakhstan, Kyrgyzstan, Uzbekistan, Tadjikistan, and Turkmenistan put an end to the border barrier that the USSR had built in relation to Eurasia. On the other hand, during the fourteenth National Congress of the Communist Party of China in October 1992, China adopted the "socialist market economy" (*shehui zhuyi shichang jingji* 社会主义市场经济) system through a reform program with which it sought, among other things, to deepen the "opening-up" of China to the rest of the world in order to ensure greater integration with the global economy. In light of this, China decided to open up trade all along its western borders.

Since the collapse of the Soviet Union, China has made great efforts in order to build and strengthen its ties with Central Asia. According to Peyrose, the motivations which have sustained these ties can be framed in three phases. In the first phase, which lasted until the mid-1990s, China's principal motivation was the delimitation and demilitarization of its borders and the simultaneous prevention of separatism from Uyghur in the Xinjiang region. In the second phase, which spanned from the second half of the 1990s to the early 2000s, China's aim was to build an institutional platform that allowed a collective security framework through the foundation of the Shanghai Cooperation Organization. As a consequence of the country's economic rise, the third phase, in the first half of the 2000s, was characterized by the addition of China's regional trade interests to its prior security concerns. As a result, China established itself in the Central Asian market, mainly in the fossil fuels industry and that of building infrastructure and communications services. Additionally, since 2005, China has increased its interest in promoting its language and culture as well as in fostering the existence of political elites in Central Asia according to the Chinese model (2016, p.14).

After almost three decades, it is possible to claim that Central Asia is not only important for China for the reasons mentioned above, but also because of Beijing's unequivocal efforts and intentions to increase China's influence within the Eurasian continent in the framework of its assertive grand strategy and foreign policy. Currently, China's rapprochement to Central Asia has been intensified through the launching of the "One Belt, One Road" initiative (*yidai yilu* 一带一路; OBOR, recently renamed the "Belt and Road Initiative", BRI). The project comprises the "Silk Road Economic Belt" initiative (*Sichou zhi lu jingji dai* 丝绸之路经济带), announced by President Xi Jinping during his visit to Kazakhstan in September 2013, and the "21st Century Maritime Silk Road" (*Shiji haishang sichou zhi lu* 世纪海上丝绸之路), also announced by President Xi in Indonesia at the end of October of the same year. During his speech at the University of Nazarbayev in Kazakhstan, Xi Jinping asserted the following:

Both China and Central Asian countries are at a crucial stage of development with unprecedented opportunities and challenges. We have all set medium- to long-term development goals based on our national conditions (...) to forge closer economic ties, deepen cooperation and expand development space in the Eurasian region; we should take an innovative approach and jointly build an "economic belt along the Silk Road". This will be a great undertaking benefitting the people of all countries along the route. To turn this into a reality, we may start with work in individual areas and link them up over time to cover the whole region (MOFA, 2013).

To this end, the BRI is structured as a project that combines the following elements: 1) the investment in international infrastructure building projects, 2) the establishment and strengthening of partnerships among the participating countries under new cooperation frameworks, and 3) the commissioning of new financial institutional platforms such as the Asian Infrastructure Investment Bank.

1.1. The Three Dimensions of Engagement

As David Shambaugh argues, "China's global engagement can be measured along at least four dimensions: diplomatic, cultural, security, and commercial" (2011, p. ix). In the case of Central Asian countries, Chinese engagement has been traditionally focused on a three-dimensional approach that has prioritized security and trade dimensions along with the use of diplomatic efforts

to strengthen China's influence in the region. Nonetheless, China's economic rise and the consequent need for raw materials, energy resources, and new markets have put the trade dimension in a preeminent position, leaving the others in a secondary but not insignificant place.

1.1.1. Trade

The trade dimension embraces the economic ties that have been forged between China and Central Asia through bilateral trade and Chinese investment. Central Asia is well known for being a region of abundance, boasting a variety of mineral resources such as oil, natural gas, silver, coal, gold, aluminum, and uranium. Nevertheless, a fall in oil prices and the sanctions applied by the West to Russia- a highly important business partner- is slowing down the region's economic growth. For China, this scenario not only offers the possibility of accessing energy resources which are vital to meet its energy demands, but also the possibility of entering a wider market with countless investment opportunities and, above all, gaining ground in a region that in the framework of the BRI, connects Western Asia to Europe.

China has quickly positioned itself as Central Asia's largest trading partner in the region. The total trade volume between the two parts grew from US\$ 1.5 billion in 2001 to US\$ 50 billion in 2013. Consequently, China became the main lender to and investor in Central Asia, replacing Russia, whose commercial volume then amounted to US\$ 32 billion. Even though these figures started to decrease in 2014 due to a slowing down of Chinese economic growth, the scenario could change thanks to the BRI, since an investment in infrastructure of US\$ 45 billion is expected to take place, in tandem with the resources provided by its two financial arms: the AIIB with assets of US\$ 100 billion and The Silk Road Fund with an additional US\$ 40 billion. Currently, Kazakhstan is China's largest trade partner in the region. In 2013, both countries reached a commercial volume of US\$ 28 billion, which meant an increase of 11.3% over the previous year (MOFA, 2014b). Kazakhstan is followed by Turkmenistan, Kyrgyzstan, Uzbekistan and Tadzhikistan, with a total trade volume that in 2015 reached approximately US\$ 24 million. In this same year, the total volume of China's exports to Central Asia reached US\$ 17 billion. Most of the imported goods are various manufactured products that range from footwear, furniture and auto parts to electrical appliances. For its part, 67% of China's imports correspond to mineral fuels, lubricants, and natural gas (Královičová and Zatko, 2016).

Kazakhstan represents an emblematic case regarding its commercial relations with China. From the beginning of the 1990s, the bilateral trade between the countries experienced an exponential growth that went from US\$ 512 million in 1993 to US\$ 25 billion in 2010. One of the reasons that explain this spectacular growth is the complementary nature of the two economies. During the 1990s, the majority of Kazakhstan's exports to China consisted of oil and its derivatives and metals. China, on the other hand, exported mostly light manufactured goods to Kazakhstan. At the beginning of the 2000s, about 80% of the Chinese exports coming into Kazakhstan were finished consumer items such as textiles, footwear, and electrical appliances; meanwhile, 85% of the exports from Kazakhstan to China were composed of raw materials and minerals (Clarke, 2014, p. 153).

Between 2014 and 2017, China's direct investment in Kazakhstan had surpassed US\$ 20 billion (Forbes, 2017a). This investment was principally focused on the oil and gas sector, the infrastructure construction related to it, and the financing of infrastructure projects such as ports and railroads, which improve transport links between China and Central Asia and are a substantial objective for the BRI. Among all China's investments in the energy sector in Kazakhstan, the acquisition of PetroKazakhstan in 2005 for US\$ 4.18 billion by the China National Petroleum Corporation (CNPC) stands out. This purchase soon proved to be China's largest overseas acquisition to date and was a significant transaction given the oil production levels of this company, estimated at seven million tons per year and given its ownership of the second largest volume of oil reserves in Kazakhstan (Huirong and Hongwei, 2012, p. 179; Petelin, 2011, p. 37).

Afterwards, in 2008, the CNPC and KazMunaiGaz (KMG) - Kazakhstan's National Oil and Gas Company- signed a cooperation agreement in which they committed to the construction of a gas pipeline whose main objective would be to transport gas from Turkmenistan through Uzbekistan and Kazakhstan to China. With this, China would be ensured an annual supply of 5 million cubic meters of natural gas (KazMunaiGas, 2017). Another important agreement of this kind was put in place by both countries in September 2017 when KazTransGas and PetroChina International Company signed an agreement in which Kazakhstan committed to exporting 5000 million cubic meters of gas to China in exchange for benefits of around one billion dollars (Azernews, 2017). China will receive this gas inflow through

the city of Khorgos, which constitutes the biggest terrestrial port between China and Kazakhstan.

It is noteworthy that one of the factors that has allowed China's successful foray into the Kazakh energy sector has been its acceptance of the investment conditions imposed by the Government of Kazakhstan, along with its foreign economic policy and its "loans-for-oil" scheme. A clear example is a joint purchase of the Kazakhstani MangistauMunaiGas (MMG) oil company in April 2009 by the CNPC and KMG, as part of a five-million-dollar loan that China granted Kazakhstan that same month (China Daily, 2009). The CNPC would become the owner of 49% of this company's stocks, whereas KMG would obtain the remaining 51%; with this, China complies with the Kazakh government's decision to involve KMG in all operations that China carries out in the energy sector in Kazakhstan.

In the framework of its loan policy, different Chinese financial entities such as the China Exim Bank and the China Development Bank have loaned Kazakhstan more than US\$ 50 billion through the Kazakhstan Development Bank (China Daily, 2017a). According to Clarke, "China's strategy of overpaying for Kazakh assets and the provision of other financial inducements (e.g. loans) has succeeded in gaining it a significant stake in Kazakhstan's oil and gas sector to such a degree that Chinese state-owned companies by some estimates now control some 25% of all Kazakh oil production" (2014, p. 155). Another energy resource which is important for China is uranium. Currently, Kazakhstan owns 12% of the world's uranium reserves, is responsible for 39% of its worldwide production, and is the first uranium-exporting country in the world. In 2014, 55% of the total production of uranium in Kazakhstan was exported to China (WNA, 2017). Moreover, in 2009, Kazakhstan's National Atomic Company, Kazatomprom, and the China General Nuclear Power Corporation signed an agreement establishing a company which was specialized in the construction of nuclear plants in China, and which would reduce Kazakhstan's dependence on Russia in this regard.

Meanwhile, Turkmenistan has become China's second-largest business partner in the region. Its 17.5 trillion of cubic meters in natural gas reserves made it into a key business partner for China in Central Asia. In 2015, the trade volume between both countries reached US\$ 15 billion, a considerable increase compared to the US\$ 10 billion trade volume reached in 2010. Currently, Turkmenistan produces

72.4 billion cubic meters of natural gas and is ranked as the fourth natural gas exporting country worldwide (Královičová and Zátka, 2016; BP Statistical Review of World Energy, 2016). In April 2006, China and Turkmenistan signed an agreement that anticipated long-term natural gas supply and the construction of a 1830-km long gas pipeline going from Turkmenistan, crossing Uzbekistan and Kazakhstan, and reaching the Khorgas port in Xinjiang. The first section of the Central Asia-China gas pipeline or Turkmenistan-China gas pipeline was completed in 2009. The second and third sections were completed in 2010 and 2015 respectively, and in July of that same year, the construction of the fourth and last section was begun. The capacity of this gas pipeline is around 55 billion cubic meters per year (CNPC, 2017).

In the case of Kyrgyzstan, Chinese investment has been mainly focused on building infrastructure. This is principally because of a geopolitical criterion: the fact that this country borders with China and is considered the entry point for oil coming from Turkmenistan and Uzbekistan. Within the BRI framework, the construction of the China-Kyrgyzstan-Uzbekistan railway, the building of a hydroelectric power station located in the north of Kyrgyzstan and the reconstruction of the Bishkek-Torugart highway are listed as the main infrastructure projects. In Uzbekistan, Chinese investment has been focused on the telecommunications, energy, and transport sectors. According to the Ministry of Foreign Affairs of the Republic of Uzbekistan, the commercial volume between these two countries in 2014 reached US\$ 4.75 billion. Additionally, important projects have been initiated. Among them, we could mention the construction of the Uzbek-Chinese Industrial Park of High Technologies in 2011, which in 2013 was established as the “Jizzakh” free industrial zone. The plan is to invest more than US\$ 200 in twenty projects to enhance the industrial zone in which Chinese participation is expected. In this regard, 540 joint ventures have been constituted in the country; 80 of them rely 100% on Chinese capital. Finally, China has also applied its loan policy in Uzbekistan for US\$ 6.5 billion to date (Ministry of Foreign Affairs of the Republic of Uzbekistan, 2017; UzDaily, 2017).

Tajikistan, on the other hand -with whom China has the lowest commercial volume of business of the five Central Asian republics (US\$ 1.8 billion)- has also been a Chinese investment target. Chinese direct investment there in 2015 reached US\$ 273 million, which represents 53% of total investment, while Russia's direct investment dropped to US\$ 35 million in the same year. Finally, Tajikistan has strategic importance for China given their shared border in the Xinjiang region. Several

construction projects for roads, power lines and power plants have been signed between the two countries. Moreover, China and Tajikistan signed an agreement governing preferential loans for around US\$ 26 million in 2011 (Tajikistan Asia-Plus, 2017).

1.1.2. Diplomacy

The diplomatic dimension comprises both China's bilateral ties and the establishment of "strategic partnerships" (*zhanlue huoban guanxi* 战略伙伴关系) within the region and its participation in regional and multilateral organizations. The territorial proximity between China and Central Asia means that they are considered interdependent neighbors. In geopolitical terms, for Central Asia, China represents access to the sea. In the same manner, for China, Central Asia represents a bridge to Europe and a continental access to Western Asia. Furthermore, China and Central Asia have ancestral ties. Their connection through the Silk Road brought centuries of trading and cultural exchange that, after a period of stalled relations, were later resumed as a corollary to the collapse of the USSR and the emergence of the Central Asian republics.

In this regard, Moscow's flagging power in the region and the birth of the new republics in the Chinese periphery presented China with an opportunity to strengthen its position in the region while the same time allowing for the resolution of domestic issues such as border disputes, trade expansion, and the possibility of mitigating the influence of Islamic fundamentalism and separatist movements in Muslim regions in China. In light of this, and following Deng Xiaoping's key principle of foreign policy - "keeping a low profile" (*tao guang yang hui* 韬光养晦)-, China did not look for confrontation with other powers outside the region (Russia and the US) which in a certain way contributed to achieving China's interests, considering that the US presence restricted the influence of Iran, Russia and Turkey. China opted to wait for the new republics to determine their priorities in political and economic matters, and allowing them to emerge.

Against this backdrop, China was one of the first countries to acknowledge and establish diplomatic ties with the new republics. On December 20th, 1991, China recognized the independence of Kazakhstan, Kyrgyzstan, Uzbekistan, Tadjikistan, and Turkmenistan via a telegraph sent by the then Chinese Foreign Affairs Minister,

Qian Qichen. Under the current principle of non-interference in the internal affairs of other countries, negotiations for the establishment of diplomatic relations quickly took place (MOFA, 2014a). During a visit to Central Asia by the Chinese government delegation, which included the Minister of Foreign Trade and Minister of Foreign affairs, a draft of the Communiqué on the establishment of diplomatic relations was written, and the outline of certain bilateral economic and trading agreements was discussed. In early January 1992 this communiqué was signed and with it, diplomatic ties between China and the five republics of Central Asia were formally established.

An important aspect of these negotiations was the declaration from the Central Asian leaders to respect the “one China principle” (*yige zhongguo yuanze* 一个中国原则), and with it, the acknowledging the People’s Republic of China and its government as the only legitimate one, with Taiwan an inalienable part of its territory. The Chinese leadership had decided to fully support the existing authorities of the newly constituted republics, understanding that in spite of the change in political structures as a result of the collapse of the USSR, power still remained in the reformist factions of the old communist parties. Additionally, this support would come in exchange for aid directed at containing the influence of the Islamic fundamentalists and pan-Turkic activists in the Muslim regions in China and with it, satisfying the need to maintain stability in these regions and the rest of China (Syroezhkin, 2002, pp. 177-178).

In order to develop these objectives, during the 1990s, several official visits⁴⁰ took place to sign cooperation agreements on economic, commercial, scientific, technological, and border issues. A significant visit by the Chinese Premier Li Peng to Uzbekistan in April 1994 marked the principles within which China-Central Asia relations would be framed. Along the same lines as the “Five Principles of Peaceful Coexistence” (*Heping Gongchu Wu Xiang Yuanze* 和平共处五项原则) which have governed Chinese foreign policy since the Maoist era, the Chinese Premier would add the following, specifically regarding relations with Central Asia:

⁴⁰ Among the most important visits, there was the one by the President of Uzbekistan, Islam Karimov in March 1992, which was considered the first visit ever made by a leader of the recently constituted Central Asian republics. Later on, it was the turn of the Presidents of Kyrgyzstan and Turkmenistan in May and November 1992. In March 1993, the President of Tadjikistan would be received, and in October 1993, Nursulan Nazarbaev paid his first visit to China. President Jiang Zemin visited Uzbekistan, Kyrgyzstan, and Kazakhstan in July in 1996, 1998 and 1999, as well as the visits paid in June 2000 to Tadjikistan and Turkmenistan.

1) Unswerving commitment to good-neighbor relations and peaceful coexistence; 2) development of mutually beneficial cooperation and promotion of common prosperity; 3) respect for the choice of the people of each country and nonintervention in the internal affairs of the other party; and 4) respect for the sovereignty of each state and the promotion of regional stability (p. 179).

Through these principles, a positioning strategy from China was established in the region and it was composed of three aspects. (1) Territorial: based on the search for a solution to the border disputes that were still unresolved; (2) Security: focused on containing the separatist movements and the extremist activities that took place mainly in the Xinjiang region; and (3) commercial: aimed at establishing trade links with Central Asia. Regarding the first aspect, an important moment was the signing of the Sino-Kazakh agreement between Kazakhstan and China on March 20, 1994. It resolved territorial disputes in nine of the eleven disputed areas. This agreement has been considered historical for being the first celebrated between a member of the Commonwealth of Independent States (CIS) and China. The status of the two remaining contested territories was resolved shortly after through the signing of different agreements between September 1997 and July 1998.

Multilateral relations began in 1996 with the constitution of the Shanghai Five group comprised of China, Russia, Kazakhstan, Kyrgyzstan, and Tadzhikistan. This multilateral block aimed to discuss the second of the aspects, governing security, and more specifically, the separatism and extremism issue in Xinjiang. In 1997, the leaders of this group met in Moscow and signed an agreement that contemplated the reduction of the armed forces in border areas. Nevertheless, it was during the third meeting celebrated in July 1998 in Kazakhstan where separatism and extremism issues were directly addressed. Members committed, through a joint agreement to "...not allow their territories to be used for activities undermining the national sovereignty, security, and social order of any of the five countries" (CIS Legislation, 1998). Through these agreements, the necessity to promote the security issues of the region was emphasized and was discussed from a multilateral perspective, as well as satisfying China's objective to keep its Western border protected and to counteract American influence in the region.

The rise of Islamic fundamentalism in Uzbekistan, Tadzhikistan, and Kyrgyzstan, the Taliban in Afghanistan, and the separatist movements in Xinjiang during the following years forced both China and Russia to take the initiative to persuade the

Central Asian states that they should perceive the threats as shared security matters and therefore, to try and find a regional response of the same nature (Clarke, 2010, p.127). Thus, during the following Shanghai Five group meeting in July 2000, the first attended by the President of Uzbekistan, the Taliban regime was condemned for its support of terrorists, and collective efforts were demanded in order to combat the soon to be named "three evils": separatism, terrorism and extremism. The Shanghai Five group became an official international organization in June 2001 and we will explore its foundations and objectives later on in the section dealing with matters of security.

Having said that, the diplomatic dimension is also composed of the establishment of "strategic partnerships" between China and the countries of the region. At the end of the 1990s, the term "partnership" (*huoban guanxi* 伙伴关系) became a keyword in China's foreign policy. In fact, this was conceived as a new model in the relationships between states, based on the "five principles of peaceful coexistence", and would serve as an instrument of Chinese diplomacy in order to promote its particular vision of a peaceful development in the world and its consequent way of relating with other great powers⁴¹. There is no precise definition of the term in the academic literature and that this model may vary in its type and importance, depending on the country China holds relations with. In spite of this, elements in various declarations made by the Chinese leadership can help us understand it better.

One of them is the speech given by the Chinese Premier, Wen Jiabao, in the China – EU Investment and Trade Forum, in Brussels on the 6th of May, 2004, in which a "comprehensive strategic partnership" (*quanmian zhanlue huoban guanxi* 全面战略伙伴关系) was promoted between China and the European Union. It was then stated:

By "comprehensive", it means that the cooperation should be all-dimensional, wide-ranging and multi-layered. It covers economic, scientific, technological, political and cultural fields, containing both bilateral and multilateral levels, and is conducted by both governments and non-governmental groups. By "strategic", it means that the cooperation should be long-term and stable, bearing on the larger picture of China-

⁴¹ China established its first strategic partnerships with Brazil in 1993, Russia in 1996, and the United States in 1997.

EU relations. It transcends differences in ideology and social system and is not subjected to the impacts of individual events that occur from time to time. By "partnership", it means that the cooperation should be equal-footed, mutually beneficial and win-win. The two sides should base themselves on mutual respect and mutual trust, endeavour to expand converging interests and seek common ground on the major issues while shelving differences on the minor ones (Mission of the People's Republic of China to the European Union, 2012).

Accordingly, it can be asserted that the "strategic partnership" is indeed an instrument of Chinese diplomacy which constitutes a new type of relationship, as inferred from the following three aspects: (1) it is a long-term model of stable cooperation that transcends possible differences that may arise between the parts regarding its ideology and the nature of its political system and model of society; (2) the relationship between the parts is built on the principles of equal conditions, respect and mutual benefit; and (3) the content and purpose of the relationship should be multidimensional and multilevel, which implies economic, political, technological, and cultural cooperation, both at the bilateral and at the multilateral level.

In 2005, for the first time China established a "strategic partnership" with a Central Asian country. The country chosen to be the first was Kazakhstan. Even though the model of "strategic partnership" comprises multidimensional cooperation, the driving force behind the China-Kazakhstan strategic partnership is economic cooperation, especially in the energy field. Due to its economic growth, China has become the second largest oil consumer in the world, with energy needs roughly 12 million barrels a day. Given its growing demand for energy and its current supply conditions, a vital objective for China is to ensure a constant and secure supply that satisfies its demand. It is constantly searching for energy resources abroad and developing its internal capacities. Kazakhstan turns out to be a strategic ally since it possesses 30 thousand million barrels of oil reserves –the biggest of the region– and 0.9 trillion cubic meters of natural gas reserves (BP Statistical Review of World Energy, 2016).

Moreover, the construction of the Sino-Kazakh pipeline in 1997 was crucial to the adoption of the strategic partnership between the two countries. This oil pipeline is the first of its kind and it directly transports the oil it exports to China from Central Asia. Stretching from the Atyrau region in Kazakhstan to Xinjiang in China, this oil

pipeline crosses an extension of 2,800 kilometers and since the year 2006, it has transported around 100 million tons of oil (Xinhuanet, 2017b). Additionally, in the year 2011 and as a result of the visit of the President of China Hu Jintao to Astana, China and Kazakhstan enhanced their "strategic partnership" to "comprehensive strategic partnership" status, which included committing to increase the volume of their bilateral commerce. Subsequently, through the signing of a joint statement in 2015⁴², "new connotations" were established for the bilateral relations. China and Kazakhstan went one step further in deepening their relationship. The new agreements included: the intention of creating China's BRI, and Kazakhstan's "Bright Road" supplementary initiative, new economic policies announced by the Kazakh government in 2014. Through merging these initiatives, these countries sought to deepen and strengthen their cooperation in infrastructure, energy, trade, and investment areas, and this cooperation led to different projects that will be analyzed in the second section of this chapter.

Kazakhstan is not the only republic in Central Asia to currently hold this status. In the year 2016, the "strategic partnership" between China and Uzbekistan was promoted to the "comprehensive strategic partnership" status. The same happened to Tadjikistan in September of the same year. Turkmenistan and Kyrgyzstan have remained with the "strategic partnership" model since 2013. This step taken by China in the quest to deepen its relations with some of the countries of the region is due to the launching of the BRI. The idea is to broaden cooperation in order to execute projects where ports and a complete infrastructure network are constructed, allowing China to connect to Central Asia (Xinhuanet, 2017c).

1.1.3. Security

The security dimension comprises both bilateral and multilateral cooperation between China and Central Asian countries in order to maintain regional security and stability. Sharing a 3700-km border creates similar security concerns, and thus gives rise to the need for a common security strategy. According to Su, the latter includes "practicing defensive policies; subordinating the enhancement of national defense to economic development; defending world peace and opposing aggression and the arms race; supporting the peaceful settlement of disputes, arms

⁴² Joint Declaration on New Stage of Comprehensive Strategic Partnership between the People's Republic of China and the Republic of Kazakhstan.

control, and disarmament" (2007, p. 53). As a consequence of China's "keeping a low profile" foreign policy approach, including the emphasis placed on China's domestic matters and the risk of being perceived negatively on the international scene, throughout the 1990s, this security strategy did not imply, at least directly, China's military engagement with the region (Swanström, 2015, p. 2). However, this situation has changed recently due to the adjustment of China's foreign policy strategy under Xi Jinping's mandate. A wider security strategy that involves the implementation of greater cooperation mechanisms, military presence through counter-terrorism exercises, and military aid seems to have come to the fore.

When formulating its security strategy, Beijing has considered some security concerns that affect regional security and stability. At an internal level, the question of Afghanistan stands out. The formal cessation of the combat operations of the International Security Assistance Force (ISAF) in December 2014 by the North Atlantic Treaty Organization (NATO), and the possible departure of the U.S. from Afghanistan could generate profound security concerns for China in regard to the growth of extremist organizations and the consequent radicalization of Tajikistan and Pakistan. Moreover, it was claimed by the Chinese government that a considerable number of Uighur separatists had not only been trained in Afghanistan by Al-Qaeda, but also provided with funding and weapons there (McMillen, 2009). Other threats which are just as important are the escalation of international drugs and weapons smuggling, the rising of nationalism and ethnic problems and the spread of radical organizations related to terrorist activities both in Central Asia and inside China. For instance, the Turkistan Islamic Party (TIP) and the East Turkestan Islamic Movement (ETIM) are pursuing the establishment of an Islamic State of East Turkestan in the region of Xinjiang (The Diplomat, 2016). Although the nature of this security concern is mainly political, its consequences put China's investments in the region at risk.

In order to counter the aforementioned threats, China has chosen to strengthen a multilateral security cooperation framework through the SCO. As we stated before, the creation of this organization in 2001 reflects China's wish to erect an institutional platform that would allow the construction of a collective security framework in the region. Through this organization, China has managed to strengthen its relations with Central Asia while maintaining stability in the areas adjacent to the region of Xinjiang. In addition, the SCO was by the time of its foundation the only organization at the multilateral level propelled by China that

demonstrated a will to discuss military and security topics, which traditionally the Chinese government had never opened to discussion or faced under multilateral terms (Clarke, 2010, p. 122). The SCO established an intergovernmental space to discuss issues that affect all its members and comprise security threats, principally terrorism, separatism, and extremism. Nowadays, however, the organization goes further; its main goals include not only security matters, but also the promotion of cooperation in politics, trade, economy, technology, culture, energy and environmental protection as well as "... moving towards the establishment of a democratic, fair and rational new international political and economic order" (SCO Portal, 2017).

In 2001, the member states signed *The Shanghai Convention on Combating Terrorism, Separatism and Extremism* in which these three issues were defined as "a threat to international peace and security" and "to the territorial integrity and security of the Parties as well as their political, economic and social stability". This document clearly exposes the consensus reached between China, Russia, and the Central Asian countries regarding the need to respond and act as a regional bloc against the threat imposed by radical and extremist organizations in the region. The terrorist attack of September 11, 2001, and the declaration of war in Afghanistan tested the strength of this recently established organization and the counterweight it would exert vis à vis the presence of the U.S. in the region. Between 2001 and 2002, the Central Asian republics, with the exception of Turkmenistan, received economic aid through military cooperation and base access agreements with the U.S. As a reaction, the SCO established its operational framework with the creation of "... initial law enforcement agency meetings in Almaty, Kazakhstan, to coordinate responses to border security issues, illegal migration, and drug trafficking and the official adoption of the SCO charter, establishment of the SCO secretariat in Beijing, and the conclusion of an agreement to open the "Regional Anti-Terrorism" center in Bishkek" (Clarke, 2010, p. 129).

China's military cooperation within the SCO has been focused on the execution of counter-terrorism exercises. In 2002 the first bilateral exercise was held with Kyrgyzstan, followed by the first multilateral exercises conducted in Kazakhstan and China, where all SCO members participated with the exception of Uzbekistan. These exercises simulate terrorist attacks and are performed almost every year. Since 2002, roughly 20 exercises have been carried out by the SCO members. For China,

these training sessions contribute to strengthening China's ties with the SCO members while enabling China to test and improve its military capabilities (International Crisis Group, 2013, p. 20). Another instrument of Beijing's military cooperation mechanisms with Central Asia is the military assistance it offers, which includes technical support and aid from China. The principal recipient is Kazakhstan, benefitting from free transfers of retired military assets while the Chinese army is modernized. Furthermore, the two countries have signed agreements for Kazakhstan to receive technical equipment, communications, and transportation valued in more than US\$ 5.5 million. Next, Turkmenistan was the creditor of a US\$ 3 million loan to obtain equipment and uniforms for its army. In the case of Kyrgyzstan and Tajikistan, China offered technical military assistance worth US\$ 1.2 million to Kyrgyzstan in 2002 and to Tajikistan for US\$ 1.5 million in 2009. Finally, Uzbekistan signed an agreement with Beijing in 2009 worth US\$ 3.7 for purchasing equipment for its borders (Peyrose, 2010, p. 11-12).

China has set up a wider security strategy in Central Asia that not only implies the fight against the "three evils" of terrorism, separatism and extremism, but also countering organized crime with instruments such as the *Agreement on Joint Fight Against Crimes*. It is, however, noteworthy that the driver of China's security engagement with Central Asia is mainly linked to Beijing's domestic concerns, such as the security threats in the region of Xinjiang and fostering economic development in its western region. With regard to these security threats, the instability in neighboring Afghanistan, Pakistan, Tajikistan and Kyrgyzstan stands out as a consequence of the existence of extremist and radical organizations along with their own separatist movements. Furthermore, the geopolitical position of Xinjiang is essential in order to consolidate China's rise as regional power. As Clarke has claimed, "the integration of Xinjiang grants China significant security, economic, and strategic benefits that serve two purposes — the consolidation of China's control of Xinjiang and the expansion of Chinese power in Central Asia — which contribute to Beijing's quest for a 'peaceful rise' to great power status" (2011, p. 7).

2. How does Central Asia fit into the Belt and Road comprehensive strategy?

The analysis of the diplomatic trade and security dimensions that comprise China's engagement with Central Asia suggests that China's political strategy in this region has pursued the following goals. Firstly, to maintain regional security and stability as long as this falls in line with maintaining national security and stability. For

instance, the success of separatist movements and the creation of independent states along China's Western border could set a precedent for the Uighur population in the region of Xinjiang, which might lead to their secession from China. Secondly, to keep Central Asia as a secure and constant supplier of raw materials and energy resources such as oil, gas, and uranium. China's growing energy demands of twelve million of barrels per day and its position as a net oil importer since 1993 make Central Asia a strategic region in order to sustain economic growth in China. Thirdly, to strengthen political and economic ties with Central Asian countries due to the appeal of Central Asia as a large market for Chinese goods. Until now, this goal has been successfully achieved through the establishment of "strategic partnerships", China's "loans-for-oil" framework, and the complementary nature of the Chinese and the Central Asian economies.

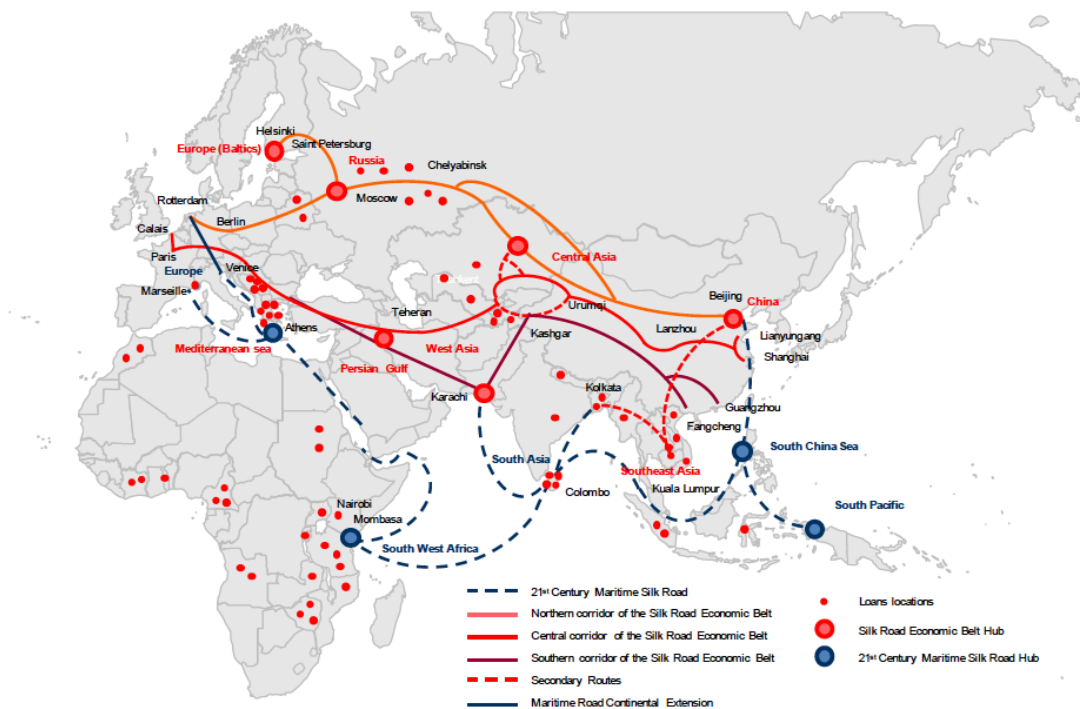
However, with the BRI, China seeks to strengthen these goals and further those linked to its domestic imperatives and global aspirations. In this respect, Central Asia holds special meaning for China as: (1) a contiguous area to demonstrate its strengths as a great power in a region historically considered as an area of influence of Russia and the U.S.; (2) a bridge to Europe and the Middle East as well a continental access to Western Asia; (3) a prominent source and supplier of raw materials and energy resources; (4) a new market for Chinese products; (5) a territory for Chinese state-owned enterprises with endless investment opportunities; but also, (6) an area where to further control a latent threat to China's national security due to the separatist movements, rising nationalism and the growth of extremist organizations in its periphery.

For the Central Asian countries, China's BRI seems to be an extremely attractive opportunity for the following reasons. First, both a lack of infrastructure and the absence of economic means put the success of Central Asian countries' development plans at risk. In this respect, the BRI's funding capacity helps their objective. The BRI has made the capital of its two financial institutions available for the participating countries: the AIIB with assets of US\$ 100 billion, and The Silk Road Fund with an additional US\$ 40 billion. According to Qian Keming -Chinese Vice-Minister of Commerce- within the BRI framework, China has invested around US\$ 50 billion in the countries along the Belt and Road and confirmed new construction projects worth US\$ 304.9 billion. AIIB's president – Jin Liqun- declared that in 2016 the bank aimed to lend US\$ 1.2 billion; however, this amount was surpassed by the

US\$ 1.7 billion he actually lent. It is important to mention that a US\$ 27.5 million loan was granted to the Dushanbe-Uzbekistan Border Road Improvement Project in Tajikistan (Figure 3). In addition, during the Belt and Road Forum held in Beijing in May 2017, it was announced that the fund will benefit from an additional capital of CNY¥ 100 billion (China.org.cn, 2017; Forbes, 2017b; Xinhuanet, 2017d).

Secondly, China represents an alternative partner to Central Asian countries, possibly reducing their economic dependence on Russia. As we stated earlier, the fall of oil prices and the sanctions applied to Russia have affected the Central Asian economies; this, in turn, has driven the countries' focus towards China as a political and commercial partner. Even at the multilateral level, this shift was evident in the performance of Central Asian countries at the Eurasian Economic Union (EEU). In this regard, the BRI "... appears more attractive for Central Asia republics than the EEU, mainly because the Chinese initiative does not impose a membership and it is not an organization, but a program of investments tailored to promoting the development of infrastructures, which could help land-locked Central Asian Countries connect with the global economy" (Indeo, 2017, p. 39).

Figure 3 – Plot of Loans granted under One Belt, One Road



Source: China Investment Research (2015)

Before the initiative was formally launched in 2013, several projects in Central Asia had already been planned. One of these was the building of six economic corridors to improve cooperation and connectivity among the countries. Two of these six projects go through Central Asia. First, the New Eurasian Land Bridge Economic Corridor, which connects China and Europe through Central Asia, and which is an autonomous project. It also complements the existing Russian-built road and the rail infrastructure of the first Eurasian Land Bridge. This new bridge joins the Chinese cities of Lianyungang and Rizhao to the cities of Rotterdam in Holland and Antwerp in Belgium. It is 10,800 km long and runs through Kazakhstan, Russia, Belarus, Poland, and Germany. Second, the China-Central Asia-West Asia Economic Corridor which connects China and the Arabian Peninsula, starting from the region of Xinjiang, crossing all five Central Asian republics and seventeen countries and regions in West Asia (Xinhuanet, 2017e). A report published by the International Crisis Group Non-Governmental Organization points out that:

Within this route, the northern initiative is the most developed, building railways from a new trade terminal in Khorgos on the Chinese-Kazakh frontier across the Kazakh port of Aktau on the Caspian. From Aktau, sea transport is offered across the Caspian to Azerbaijan and Georgia, and a link to the new Baku-Tbilisi-Kars railway. Heading south from Aktau, a new railway has opened between Kazakhstan, Turkmenistan, and Iran. The first trains between China and Iran began operations in February 2016 (2017, p. 7).

Since Kazakhstan is China's largest trading partner in the region, its support for and implication in the BRI will be greater than that of other countries in the region. Indeed, Kazakhstan shares with China what could be considered the most remarkable Central Asian transportation project within the BRI. This is the construction of the Khorgos Eastern Gate Special Economic Zone and dry port in the city of Khorgos. This was officially announced in July 2014 by the Kazakh president, Nursultan Nazarbayev. It was developed in accordance with the "100 Concrete Steps Program", the national platform set up to achieve the Kazakhstan objective of being included into the top 30 developed countries by 2050 (The Diplomat, 2015). The Khorgos Gateway is a container port that links China and Kazakhstan by rail along its border zone. It is located on the Kazakh-Chinese border; it reached a yearly capacity of 200,000 containers in 2016 and is expected to reach a capacity of 500,000 containers by 2020.

In May 2017, two Chinese companies – China Cosco Shipping Corporation Limited and Lianyungang Port Holding Group Limited – jointly purchased 49% of the shares in the port on the Kazakh side by signing an investment agreement at the Belt and Road Forum (Forbes, 2017a; The Astana Times, 2017). Another important Kazakh infrastructure project within the BRI is the construction of the Western Europe-Western China road. With its 8,207 kilometers of highway, it aims to link Central Asia with Europe, and hopes to further the economic and industrial development of its adjacent areas. The Silk Road Fund, along with the World Bank, the Asian Development Bank and the Islamic Development Bank, has provided funding of around US\$ 7 billion (Djankov, 2016: 32). Other infrastructure projects are also being carried out in Uzbekistan. One emblematic scheme is the construction of Central Asia's longest railway tunnel: the Kamchiq tunnel links the Fergana Valley to the Uzbekistan capital Tashkent. It is 19.2 km long and is part of the projected China-Kyrgyzstan-Uzbekistan railway line. Funding of US\$ 350 million was covered by China Exim Bank (Xinhuanet, 2016a).

During the first “Belt and Road Forum” held in the same month, various agreements between the Central Asian republics and China were signed. Among them, the agreement on international transportation and strategic coordination with the government of Uzbekistan, the cooperation agreement between the Silk Road Fund and the National Bank for Foreign Economic Activity of Uzbekistan, the financing cooperation agreements on chemical, metallurgical and petrochemical industries between the China Development Bank and Kazakhstan, the participation of Chinese companies in the “Digital Kazakhstan 2020” cooperation program, and the Memorandum of Understanding on Promoting Major Projects under Industrial Capacity and Cooperation with the Ministry of Economy in Kyrgyzstan (Xinhuanet, 2017d). These agreements demonstrate the long-term projection that the BRI will have in Central Asian countries with regard to their deeper engagement with China. However, for a project that foresees about thirty years longer to be completed, it is too early to conclude how it will be developed and whether it will overcome all the challenges involved in its execution. Nevertheless, it can be stated that the BRI is already redrawing Sino-Central Asia relations.

3. The challenges ahead

China's Belt and Road Initiative is definitely a very ambitious and complex long-term project. Accordingly, its implementation in Central Asia –although successful so far– will face many challenges. It is worth highlighting that among the already mentioned challenges, there is a growing lack of support for Chinese endeavors at the social level in recipient countries due to the nature of Sino-Central Asian relations, which are state-to-state as opposed to people-to-people. It means that while the political elites of the Central Asian countries welcome the capital funding directed through the initiative, Chinese investors are faced with what Peyrose (2016) has come to label “Sinophobia”. One of the sources of this anti-Chinese sentiment stems from the high flexibility regarding the recruitment of Chinese workers instead of national workers for the projects carried out in Central Asia. Anti-Chinese sentiment was present at several protests and at attacks on Chinese companies' premises in Kazakhstan and Kyrgyzstan in 2016. According to Peyrose, “the rise of Sinophilia and Sinophobia will impact the political, geo-strategic, and cultural situation in the region, working either to speed up or to slow down Chinese expansion in it” (2016, p. 14).

Another significant challenge that the BRI will face is the standoff between it and the Russian EUU. As we previously stated, Central Asian countries are drawn to take part in the BRI since this initiative does not impose membership requirements. This allows for greater flexibility to benefit from the initiative's funding while simultaneously fostering national goals. However, this may, in turn, generate long-term complications in the case of insufficient liquidity of the recipients. Taking all this into account, one may say that this situation has driven China to reposition itself in the region and has reduced Central Asian countries' dependency on Russia. Furthermore, the initiative has arisen some concerns about the supposed lack of transparency related to the project development, and the risk for the countries to be in debt distress.

CHAPTER VII. CONCLUSIONS

This research grows from the primary general observation that China is currently undergoing a significant process of foreign policy and grand strategy adjustment, and the will to understand the role of China's Belt and Road Initiative in such adjustment. While China has been a moderately steady actor in the international relations arena, focusing for decades on its internal growth and securing a future and certain stability for its citizens, its role and behavior have gradually experienced a transformation towards a more self-directed and forward-looking international stance.

A multi-level framework of analysis

This dissertation has explored the rationale and motivations behind China's assertive turn in its external behavior. To do so, it has addressed the overarching question of how have domestic and systemic factors driven China's grand strategy and foreign policy adjustment in the Xi Jinping Era. The research puzzle presented in this dissertation englobes a multilevel approach addressing both the domestic and the international levels. This accommodates the argument that China's rise has prompted a set of internal and external challenges that the fifth generation must address in order to drive China toward the fulfilment of its long-term goals, and thus achieve the great "rejuvenation of China".

At the domestic level, sustaining economic growth, ensuring socio-economic development, implementing the reform, fighting against corruption, preserving social stability and the CCP's legitimacy, have been acknowledged in this research as the fundamental challenges that Chinese leaders have to face. Although the past generation of Chinese leadership also had to face these challenges, the question of sustaining economic growth is beyond critical for the actual leadership. At the international level, as China continues to rise, it will be essential for the country to get involved in global governance issues; as fact, the fourth and fifth generation of Chinese leadership have done. One of the reasons behind this stance, is that China has sustained its economic rise through their insertion and compliance with the economic and political institutions underpinning the liberal order. China's proactive stance towards international affairs and its assertive turn in foreign policy has come

along with the emergence of uncertainties concerning China's intentions, especially in those regions with a longstanding presence of other major powers such as the US.

This research's theoretical departing point underscored some self-containing trends in current theorization about China. Scholarly effort has tended to analyze either external or internal dynamics and/or perspectives. On the one hand, structural analysis and works stemming from foreign policy analysis and international political economy have navigated towards the study of the international impact of China's rise, or matters related to the rise of China from an outside-in perspective, mostly in an attempt to elucidate how China has benefited from an interconnected and globalized international system. On the other hand, academic literature has explored how China's domestic environment and particularly the CCP's leadership in policy-making has oriented China's foreign policy and grand strategy.

However, a limited amount of scholarly works actually seek to speak to each other across the international/domestic level divide, providing results which tend to reduce or even trivialize the relation between both levels and the mutual feedback they generate upon one another. This dissertation has bridged the gap between levels of analysis in the wider field of International Relations and Foreign Policy Analysis, by presenting a synthetic approach which sheds light on the domestic and systemic factors that have driven China's grand strategy and foreign policy adjustment and the rationale and motivation behind such adjustment.

A multi-theoretical framework of analysis

Acknowledging the benefits of comprehensive and pluralistic theory underpinnings, this research has presented a multi-theoretical framework of analysis which indicates the co-existence of multiple causal factors when explaining the direction of the Chinese grand strategy. This selection responds to a need to comprehensively address and explain different concepts that are distinctively developed in each theoretical approach but that taken together paint a more concrete picture of the processes of foreign-policy making, external-internal projection, and the creation and implementation of the means and ends that conform China grand strategy.

This research employs the concept of material power and relative power distribution with regard to China's rise and its position as a transitioning power from a

rising to a global actor in the international system. According to Christopher Layne (2008), it is due to the "power transition effect," that China is viewed as the next great power given the vacuum left in the international system after the disintegration of the URSS and the withdrawal of US military forces in Asia. This is a relevant approach to China's role and power because of its utility when addressing China's increasing role both globally and regionally, particularly through the study of the rationale and challenges of the Belt and Road Initiative. Through the employment of the realist conceptualization of power this research is able to account for China's transformation itself from a powerful player to a leading player with global reach.

With regard to the liberal paradigm, this research employs its theorization of the dynamics of complex interdependency to observe the rationale behind China's engagement with the world and its adjustment in foreign policy. In order to maintain its economic growth and deepen its liberalization, China has become more dependent on the rest of the world, while the world has become more dependent on China in terms of economic growth and development. Additionally, the concept of complex interdependence allows for an analysis of China's engagement with the liberal order and the increasing connections with international institutions and the corresponding socialization processes.

The constructivist approach to discourse, identity and ideas has been applied to analyze how different risks and opportunities, China's role and its position within the international system are perceived by the PPC's elites, and condition the foreign policy adjustment. In this way, China's international strategy is strongly structured around the leaders' beliefs, visions, and perceptions contained in their discourse, which in turn, shapes its vision about the global order and the positioning of China in it.

The conceptualization of elites by the sociology of power has helped to explain the leadership restructuring under Xi Jinping in the context the adjustment in China's foreign policy. This change in power structures within the policy-making apparatus of China has impacted the foreign policy design, adjustment and implementation particularly in the case of the Belt and Road Initiative, according to China's grand strategy.

Neo-gramscian theory directs the analysis of the outward expansion of the China's internal hegemony established by a dominant class, with a dominant mode of production, framing a social, economic, and political structure. It is therefore underlined the expressions of consent based on the acceptance of ideas, which are held by material resources and institutions established by the social forces that occupy a ruling position within China's society.

The last but not least, the foreign policy analysis (FPA) has merged the two levels of analysis (domestic and international) resulting from the complex interaction between actors and structures. The increasing interdependence framework among states has led to the adoption of different strategies of foreign policy, The study of the interplay between domestic and international factors has found that the domestic environment is increasingly favorable for China's seizing of the benefits derived from changes at the international level. In this way, this dissertation argues that domestic factors can be conceived as catalyzers of China's foreign policy adjustment.

Drawing from the assumption that foreign policy strategies are linked to the interplay between domestic and international forces, the importance of the domestic and systemic levels on foreign policy formulation in the case of China is evidently paramount as this research stresses the importance of the interplay between domestic and international factors and has found that the domestic environment is increasingly favorable for China's seizing of the benefits derived from changes at the international level. In this way, this dissertation argues that domestic factors can be conceived as catalyzers of China's foreign policy adjustment.

In the proposed theoretical framework, not all concepts share the same centrality nor weigh in equally. Rather, realist concepts such as material power and the relative power distribution are granted more power of explanation than liberalist accounts of complex interdependence, and likewise the basic premises of foreign policy analysis draw more attention when establishing the categories for observation than the constructivist account of elite. However, for the purpose of this research, no one category – and thus not a single theory or conceptualization- could be isolated and expected to sustain a comprehensive enough framework of the causal mechanisms, factors and drivers behind China's grand strategy and its foreign policy adjustment under Xi Jinping. It should also be borne in mind that in attempting to

balance different theoretical approaches, other explanatory factors that would be relevant in explaining the change have had to be set aside. For example, deepening the level of the agency by studying the preferences of the leader.

The particular usefulness of our framework lies in that it considers both set of factors as equally relevant, and more importantly, as two set of factors that at the empirical level interact and have a mutual feedback. Thus, our framework for analysis aims at explaining the strategic adjustment of China's grand strategy and the assertive turn in China's foreign policy by postulating a set of factors that emerge through the analysis of the changes at the systemic level since 2008 to the present time and the domestic circumstances that have informed China's foreign policy.

On China's grand strategy

This research has shown that China has indeed articulated a grand strategy in its quest for great power status and global leadership. Although there are no official policy documents or explicit publications by the Chinese government that refer to the existence of a grand strategy, a post-hoc scholarly rationalization and the analysis of a number of authoritative documents show the design of a number of goals and guidelines which have coherently been integrated in China's foreign policy, effectively transforming it into a tool for the achievement the country's long-term strategic goals.

This dissertation argues that China's grand strategy is not an immovable object, but rather that it has experienced a process of adjustment in recent years. In order to comprehensively account for this process of adjustment, this project has offered a multi-level and multi-theoretical framework for analysis built upon a series of observable factors. These factors are divided into two categories explored in Chapter II: (a) systemic factors which are those elements or forces that originate at the international level and that exert a significant influence on China's foreign policy; (b) domestic factors which are those elements or forces that originate at the national level due to internal dynamics (party-state system, type of economic regime, socio-economic development of the Chinese society) and that due to an increase in favorable domestic conditions, have acted as catalyzers of China's foreign policy adjustment in order to better reap the benefits generated by systemic factors. This twofold scenario allows the Chinese leadership to perceive structural changes in the

global economy and transformations within the global distribution of power as risks and opportunities to be navigated in the implementation of China's grand strategy.

The systemic factors that have been analyzed in this dissertation are on the one hand, structural changes in the global economy, particularly the global economic crisis of 2008 as an event that shapes the Chinese leadership perceptions around the state of the international system and the position that China has in it. Additionally, this was also influenced by the perceptions around the dynamics and uncertainties of the global economy that from 2013 have shaped the assertive turn in China's foreign policy. And on the other hand, fluctuations in the global structure of power in the aftermath of the 2008 economic crises, which frames the relative power decline of traditional global powers as well as the rise of china, and which are understood to present a series of risks and opportunities that, by being perceived in a specific way by the Chinese leadership, shape and influence the adjustment of the country's foreign policy.

As regards the domestic factors analyzed in this research, three main factors have been identified. Firstly, the centrality of the regime preservation and the CCP's legitimacy in foreign policy-making, which is directly linked to the aftermath of the measures implemented as a response to the 2008 crisis. These measures produced a series of challenges for the Chinese leadership in the form of unforeseen macro-economic issues, such as the high unemployment and inflations rates, the accumulation of the nonperforming bank loans, and the growing imbalance of the Chinese economy. These, in turn, had a strong impact in the Chinese people, which potentially jeopardized the government's legitimacy, allowing for the observation of changes in the CCP's behavior related to the need to preserve the regime and the public's acceptance.

The second factor identified is the exhaustion of the development model which is crucial to understand China's change of foreign policy orientation from a pragmatic to an assertive strategy. With the slowing of its economic growth in the second decade of the millennia, China has had to adjust its foreign policy into an outward investment-oriented strategy in order to avoid further dependence on exports and to give space for the growing need for investment of Chinese companies abroad. The third factor identified is the elite restructuring which refers to the repositioning of the primary elites within the power structure and aims at ensuring

the CCP's monopoly of power and the continuity of the political system. The selection of this factor allows for the observation and conceptualization of the rise to power of the fifth generation of Chinese leadership and of President Xi Jinping and to explain its role in the foreign policy adjustment, and as a corollary, in the design and implementation of the Belt and Road Initiative.

This framework for analysis has allowed us to show that there are a series of elements which can be directly linked to the existence of a grand strategy. These elements can be summarized in three groups of findings:

- 1) the existence of principles and ideas with high level of coherence among them, whose design can guide specific foreign policies.
- 2) A specific set of guidelines and vision of the Chinese leadership. The CCP has built an articulated view of Chinese society and its position in the global order. Since they control the state, every available mean (diplomatic, economic, ideological, political and even military) is at their disposal and, guided by those principles of foreign policy, can be rationally employed towards specific ends.
- 3) A political architecture that is used to identify long-term strategic objectives, the opportunities and threats surrounding them, and the rational guide to get the best possible outcome.

In order to accurately argue that there is indeed a Chinese grand strategy a contextual and temporal framework is required. The analysis observed in Chapter III, section 2 has allowed for the identification of a turning point in Chinese politics with the 12th National Congress of the CCP in 1982 under President Deng Xiaoping. This event marks the beginning of the “reform and opening-up” era and the moment when Chinese leadership set China's long-term goals such as economic growth and social development, and the provision of a favorable international environment. From the creation of these “ends” onward, China's foreign policy became a tool for the fulfillment of the goals of the Chinese grand strategy. One significant characteristic of this period is the abandonment of the dogmatic orientation that had been central during Mao's era in favor of a pragmatic orientation under Deng Xiaoping.

On China's grand strategy and foreign policy adjustment

The analysis presented in Chapter IV shows the existence of process of adjustment in China's foreign policy and grand strategy. This chapter argues that the kickstart of said process of adjustment can be found the 2008 global economic crisis, as the trigger of change in the Chinese leadership's perception of China's position in the international system, that is, a reassessment of China's role in a changing world. In terms of Chinese foreign policy, 2008 marks the beginning of a transition between the "keeping a low profile" approach and the "striving for achievement" approach.

This adjustment process reaches a high point with the full adoption of the "striving for achievement" approach from 2013 onwards under Xi Jinping's era. This period is defined in this research as the assertive turn in China's foreign policy, which aims at the completion of China's rise as a global power and is characterized as a means to achieve China's rise and national rejuvenation, maintain China's economic growth, and enhance China's military capabilities. In order to more accurately observe an example of this adjustment process, Chapters V and VI take on the analysis of the Belt and Road Initiative as a case study which, at a methodological level allows for the conceptualization of the foreign policy adjustment while at an empirical level serves as a demonstration of the implementation of those foreign policy means. Therefore, the BRI case study allows us to confirm that there is indeed a shift in both China's grand strategy and foreign policy and to attest for the nature of this shift, which entails an adjustment from a pragmatic to an assertive stance in China's international behavior. The analysis of the BRI also shows that the Initiative serves as an instrument or "means" to the achievement of China's long-term goals.

Continuity through change

This research has shown that China's foreign policy has indeed experienced a process which can be characterized as an adjustment rather than a rupture with previous foreign policy strategies. In other words, the turn from a pragmatic strategy to assertive strategy does not presuppose a complete change, but rather a process of gradual transformation. This dissertation conceptualizes this transformation in its argument that the current Chinese foreign policy under Xi Jinping is a result of the pursue of continuity through change, insofar as the assertive foreign policy adopted

from 2013 includes elements or ideas that were present since the articulation of a coherent foreign policy under Deng Xiaoping in the early 80s. This is to say that China's long-term goals remain relatively constant but the means to achieve said goals are changing in significant ways.

These elements of continuity and change have been identified in Chapter IV as long-standing foreign policy principles and new trends respectively. The long-standing foreign policy principles include the protection of China's "core interests", a favorable external environment for China's domestic development, sustaining its economic growth and social development and multipolar diplomacy. The observed new trends include China's self-recognition as a major power, and a "new type of international relations", a "new type of major country relations", head of state diplomacy, and widened scope of foreign policy initiatives, as guiding introduced by Xi Jinping.

On the rationale and motivations behind China's assertive turn in foreign policy under Xi Jinping era

The analysis observed in Chapters III and IV on the rationale, context and evolution of China's foreign policy adjustment and grand strategy has found that there are two overarching rationales guiding said adjustment. The first of these rationales is the preservation of the monopoly of power of the CCP and their legitimacy among the Chinese people, which is directly related to the domestic factor of regime preservation. The second rationale is the need to sustain the economic growth which is in turn linked to the domestic factor of the exhaustion of the development model in terms of the need to orientate China's foreign policy towards a foreign investment oriented, long-term goals achievement strategy. The third rationale is the pursue of a global leadership, which can be traced to the systemic factors of structural changes in global economy and the fluctuations in the distribution of power in the international system.

The identification of these three rationales has then allowed for the conceptualization of the objectives that the adjustment in foreign policy and grand strategy seek to achieve. These are: (1) to place greater importance on defending core interests, (2) to be acknowledged as a main player in the international arena, (3) to assume a broad set of responsibilities, initiatives, and interests, (4) to enhance

military capabilities. These objectives, supported by their correspondent empirical facts, demonstrate the extent to which this change in Chinese foreign policy is pervasive within China's current grand strategy and what elements of the former policies are still present in the new policies. Most poignantly, these findings corroborate our research's hypothesis by empirically illustrating that the strategic adjustment in China's grand strategy and foreign policy has indeed been driven by the synthesis of domestic and systemic factors. In this regard, the interplay and feedback between both systemic and domestic factors results in the exercise of a stronger leadership, leading to the adjustment of the grand strategy concerning strategic means, and the setting-up of an assertive and self-directed foreign policy.

This research has shown the relevance of the Xi Jinping's era in the orchestration and implementation of the foreign policy adjustment. In the aftermath of the 2008 global economic crises, the relative decline of the US and the increasingly positive domestic conditions led the Chinese leadership to perceive an opportunity to reassess China's core interests and its grand strategy. With Xi's ascension to power, the scope of these goals or interests was broadened and included new elements which pointed towards a growing perception of China as a global power and the need to restore China to its rightful place in the world. This new scope translated into a more assertive stance with regard to China's foreign policy "ends" and the "means" through which these should be achieved. As it has been demonstrated, the BRI, which is understood to be Xi's personal signature project for the achievement of the China Dream, has acted as a very effective foreign policy tool under Xi's command.

The Belt and Road Case Study

The BRI as a case study shows a shift in both China's grand strategy and foreign policy, entailing its adjustment from a pragmatic to an assertive stance in China's international behavior. Thus, concerning the second research question on how the Belt and Road Initiative has contributed to China's grand strategy and foreign policy adjustment, the Initiative functions as an instrument to adjust China's grand strategy to shape, more assertively and proactively, a favorable environment for China's socio-economic development, and to enhance China's global influence, and to cope with domestic economic and political concerns.

The analysis of the Belt and Road Initiative as a foreign policy tool under Xi Jinping has shown that the BRI points towards China's assertive turn in foreign policy because it facilitates the inclusion of the Chinese long-term goals and its foreign policy objectives within a comprehensive framework. In this way the BRI contributes to the further adoption of China's foreign policy goals through the external engagement of the domestic imperatives. From a conceptual approach, this research has observed the role of the BRI as a means to fulfill the ends stated in the grand strategy and as an instrument to adjust China's grand strategy in order to shape a favorable environment to its own socio-economic development, and to enhance its global influence. As such, the initiative aims at building momentum for China's national rejuvenation, and therefore, the completion of its rise as a global power.

As regards the findings related to the BRI policy-making and implementation, the Initiative is being formulated and implemented at a different pace and at different levels of the government, including national, provincial and local authorities and their differing interests, as well as involving a large number of actors – governmental and non-governmental – and interests which can often be contradictory. Lastly, the case study of the BRI as demonstrated its role as rational response of the Chinese leadership to various risks and opportunities stemming from domestic and systemic transformations. Furthermore, Central Asia must be considered as pivotal region regarding China's long-term goals. Central Asian countries should not be seen as recipients of policies, but as the terrain in which they materialize, transform and in turn, shape China's grand strategy. Therefore, the BRI proves to be an instrument to project China's interests in Central Asia and capitalize on the region's needs for investment and infrastructure.

REFERENCES

- Amighini, A. (2017). Towards a New Geography of Trade. In Amighini, A. (Ed.), *China's Belt and Road: A Game Changer* pp. (121-139) Milano: ISPI.
- Aoyama, R. (2016). One Belt, One Road: China's New Global Strategy. *Journal of Contemporary East Asia Studies*, 5(2), 3-22
- Azernews. (2017): *Kazakhstan launches gas supplies to China*. Retrieved from <https://www.azernews.az/region/120603.html>
- Beijing Review (2011a). *The 12th National Congress*. Retrieved from http://www.bjreview.com.cn/90th/2011-04/12/content_357550_9.htm
- Beijing Review (2011b). *Redefining Unemployment Statistics*. Retrieved from http://www.bjreview.com.cn/print/txt/2011-01/10/content_323894.htm
- Belt and Road Portal. (2017). *List of Enterprises*. Retrieved from https://eng.yidaiyilu.gov.cn/info/iList.jsp?cat_id=10080&cur_page=3
- Belt and Road Portal. (2018). *New chapter for 'Xiplomacy'*. Retrieved from <https://eng.yidaiyilu.gov.cn/qwyw/rdxw/52456.htm>
- Bibler, J. (2019). *Is China's growth model sustainable?* Retrieved from <https://swiss.cfa/is-chinas-growth-model-sustainable/>
- Bieler, A., & Morton, A. (2014). Neo-Gramscian perspectives. In Siegfried S. & Spindler M. (Eds.), *Theories of International Relations* (pp. 214-230). New York: Routledge.
- Blavoukus, S. & Bourantonis, D. (2014). Identifying parameters of foreign policy change: An eclectic approach. *Cooperation and Conflict*, 49(4), 483-500.
- Breslin, S. (2010). China's Emerging Global Role: Dissatisfied Responsible Great Power. *Politics*, 30(1) 52-62.

British Petroleum. (2016). *BP Statistical Review of World Energy June 2016*. Retrieved from <https://www.bp.com/content/dam/bp/pdf/energy-economics/statistical-review-2016/bp-statistical-review-of-world-energy-2016-full-report.pdf>

Bo, P. (2018). China, Global Governance, and Hegemony: Neo-Gramscian Perspective in the World Order. *Journal of China and International Relations*, 6(1), 48-72

Brown, K. (2017). The communist party of China and ideology. In *Critical Readings on Communist Party of China* (pp. 797-815). Brill.

Buckley, C. & Bradsher, K. (2017). *Xi Jinping's Marathon Speech: Five Takeaways*. Retrieved from <https://www.nytimes.com/2017/10/18/world/asia/china-xi-jinping-party-congress.html>

Buckley, P. (2010). *Foreign Direct Investment, China and the World Economy*, London: Palgrave Macmillan.

Bueno de Mezquita, B. (2002). Domestic Politics and International Relations: *International Studies Quarterly*, 46, 1-9

Buzan, B. (2014). The Logic and Contradictions of Peaceful Rise/ Development's China's Grand Strategy: *The Chinese Journal of International Politics*, 7(4), 381- 420.

Buzan, B. & Foot, R. (Ed.). (2004). *Does China Matter? A Reassessment: Essays in Memory of Gerald Segal*. London: Routledge.

Cabestan, J. (2017). China's Institutional Changes in the Foreign and Security Policy Realm Under Xi Jinping: Power Concentration vs. Fragmentation Without Institutionalization. *East Asia*, 34(2), 113-131

Carrol, W. (2010). *The Making of a Transnational Capitalist Class: Corporate Power in the 21st. Century*, London: Zed Books.

Carlsnaes, W. (2013). Foreign Policy. In Carlsnaes, W. et al (Eds.), *Handbook of International Relations* (2nd ed., pp. 298-325). London: Sage

Central Committee of the Communist Party of China (2014). *Decision of the Central Committee of the Communist Party of China on Some Major Issues Concerning Comprehensively Deepening the Reform*. Retrieved From http://www.china.org.cn/china/third_plenary_session/201401/16/content_31212602.htm

Central Committee of the Communist Party of China. (2018). *The 13th Five-Year Plan for Economic and Social Development of the People's Republic of China (2016-2020)* Retrieved from http://218.189.123.39/videoplayer/P020161207645765233498.pdf?ich_u_r_i=0fcfc6c4af81270b7e3d674322521be9&ich_s_t_a_r_t=0&ich_e_n_d=0&ich_k_e_y=1845048930750763182446&ich_t_y_p_e=1&ich_d_i_s_k_i_d=9&ich_s_e_q=1724560620&ich_u_n_i_t=1

Cha, V. (1999) Engaging China: the view from Korea. In Johnston, A. & Ross, R. (Eds.), *Engaging China: the management of an emerging power* (pp. 32-56). New York: Routledge.

Chan, G. (2013). China Faces the World: Making Rules for a New Order?. *Journal of Global Policy and Governance*, 2 (1), 105-119

Chen, J. (2015). Belt and Road Takes New Route. *China Daily*. Retrieved from http://europe.chinadaily.com.cn/business/2015-04/15/content_20435638.htm

Chin, H. and He, W. (2016). *The Belt and Road Initiative: 65 Countries and Beyond*. Retrieved from https://www.fbicgroup.com/sites/default/files/B%26R_Initiative_65_Countries_and_Beyond.pdf

_____ (2017). *SCIO briefing on trade and economic cooperation under B&R Initiative*. Retrieved from http://www.china.org.cn/china/2017-05/11/content_40790733.htm

China Daily (2009). *China's unemployment rate climbs*. Retrieved from http://www.chinadaily.com.cn/business/2009-01/21/content_7416242.htm

China Daily. (2009a) *CNPC buys Kazakh oil company*. Retrieved from http://www.chinadaily.com.cn/business/200904/28/content_7722725.htm

_____ (2009b). *Western Development Strategy*. Retrieved from http://www.chinadaily.com.cn/china/westdevelopment/2009-12/22/content_9215054.htm

China Daily (2010a). *Foreign Minister warns of South China Sea issue*. Retrieved from http://www.chinadaily.com.cn/china/2010-07/26/content_11046544.htm

China Daily (2010b). *China urban unemployment rate 4.3% in 2009*. Retrieved from http://www.chinadaily.com.cn/china/2010-05/19/content_9869855.htm

China Daily (2010c). *Full Text: Report on the Work of The Government*. Retrieved from http://www.chinadaily.com.cn/china/2010npc/2010-03/15/content_9593380.htm

China Daily (2010d). *Backgrounder: China's CPI since 1978*. Retrieved from http://www.chinadaily.com.cn/business/2010-02/27/content_9514133.htm

China Daily (2011). *China's CPI up 4.6% in December 2010*. Retrieved from http://www.chinadaily.com.cn/business/2011-01/20/content_11887459.htm

China Daily (2012). *Full Text of Hu's Report at 18th Party Congress*. Retrieved from http://www.chinadaily.com.cn/china/19thcpcnationalcongress/2012-11/18/content_29578562_5.htm

China Daily. (2014). *Full Text of Foreign Minister Wang Yi's Speech on China's Diplomacy in 2014*. Retrieved from http://www.chinadaily.com.cn/china/2014-12/26/content_19173138.htm

China Daily. (2017a). *Full text of Chinese president's signed article in Kazakh newspaper*. Retrieved from http://www.chinadaily.com.cn/world/2017xivisitkazakhstan/2017-06/07/content_29656868.htm

_____ (2017b). *Chinese Dream is well on its way to becoming reality*. Retrieved from http://www.chinadaily.com.cn/opinion/2017-10/10/content_33074255.htm

_____ (2017c). *SOEs to take lead role along Belt and Road*. Retrieved from http://www.chinadaily.com.cn/business/2017-05/09/content_29258516.htm

China Daily (2017). *New Normal in Economic Development*. Retrieved from http://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-10/05/content_32869258.htm

China Digital Times (2009). *Dai Bingguo (戴秉国): The Core Interests of the People's Republic of China*. Retrieved from <https://chinadigitaltimes.net/2009/08/dai-bingguo-戴秉国-the-core-interests-of-the-prc/>

China Internet Information Center. (2008). *Hu Jintao's Speech at the Meeting Marking the 30th Anniversary of Reform and Opening Up*. Retrieved from http://www.china.org.cn/archive/2009-05/11/content_17753659.htm

China Internet Information Center (2009). *The Impeccable is a US spy ship*. Retrieved from http://www.china.org.cn/international/2009-03/12/content_17431423.htm

China Internet Information Center (2010). *Premier Wen Jiabao Meets the Press*. Retrieved from http://www.china.org.cn/report/2010-04/12/content_19792192.htm

China Institute of International Studies. (2015). *Toward a New Type of International Relations: Transcending History to Win the Future*. Retrieved from http://www.ciis.org.cn/english/2015-06/19/content_8006094.htm

China Investment Research. (2015). *Chinese Policy Bank Loans*. Retrieved from <http://www.chinainvestmentresearch.org/special-feature/may-2015-chinese-policy-bank-loans/>

China National Petroleum Corporation. (2017). *Flow of natural gas from Central Asia*. Retrieved from <http://www.cnpc.com.cn/en/FlowofnaturalgasfromCentralAsia/FlowofnaturalgasfromCentralAsia2.shtml>

Chow, G. (2007). *China's Economic Transformation* (2nd ed.). Oxford: Blackwell Publishing.

Christensen, T. J. (2011). *The Advantages of an Assertive China: Responding to Beijing's Abrasive Diplomacy*. Retrieved from: <https://www.brookings.edu/articles/the-advantages-of-an-assertive-china-responding-to-beijings-abrasive-diplomacy/>

Christensen, T.J. (2015). *The China Challenge. Shaping the Choices of a Shaping Power*. New York, NY: Norton.

CIS Legislation. (1998). *The joint statement of participants of the Almaty meeting - the Republic of Kazakhstan, People's Republic of China, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan*. Retrieved from <http://cis-legislation.com/document.fwx?rgn=3881./>

Clarke, M. (2010). China and the Shanghai Cooperation Organization: The Dynamics of New Regionalism, Vassalization, and Geopolitics in Central Asia. In Kavalski, E. (Ed.), *The New Central Asia. The Regional Impact of International Actors*. (pp. 117-147) Singapore, World Scientific.

_____ (2011). *Xinjiang and China's Rise in Central Asia – A History*. New York, Routledge.

_____ (2014). Kazakh Responses to the Rise of China: Between Elite Bandwagoning and Societal Ambivalence?. In Horesh, N. & Kavalski, E. (Eds.), *Asian Thought on China's Changing International Relations*. (pp. 141-172) London: Palgrave.

_____ (2016). *Beijing's March West: Opportunities and Challenges for China's Eurasian Pivot*. Retrieved from <https://www.fpri.org/article/2016/04/beijings-march-west-opportunities-challenges-chinas-eurasian-pivot/>

Clarke, M. (2017). *The Belt and Road Initiative. China's New Grand Strategy*. Retrieved from <https://nsc.crawford.anu.edu.au/publication/10893/belt-and-road-initiative-chinas-new-grand-strategy>

Clinton, H. (2011). *America's Pacific Century*. Retrieved from <https://foreignpolicy.com/2011/10/11/americas-pacific-century/>

Congressional Research Service. (2019). *Foreign Holdings of Federal Debt*. Retrieved from <https://fas.org/sgp/crs/misc/RS22331.pdf>

Cox, R. (1981). Social Forces, States and World Orders: Beyond International Relations Theory. *Millenium: Journal of International Studies*, 10(2), 126-155.

Cox, R. (1993). Gramsci, Hegemony and International Relations: An Essay in Method. In Stephen Gill (Ed.), *Gramsci, Historical Materialism and International Relations* (pp. 49-66). Cambridge: Cambridge University Press.

Cox, R. & Sinclair, T. (1996). Global perestroika (1992). In Cox, R. & Sinclair, T (Eds.), *Approaches to World Order*. Cambridge: Cambridge University Press.

Creswell, J. (2009). *Research Design. Qualitative, Quantitative, and Mixed Methods Approaches* (3rd ed.), California: Sage.

Deudney, D. & Ikenberry, G.J. (2009). The Myth of the Autocratic Revival: Why Liberal Democracy Will Prevail. *Foreign Affairs*, 88(1), 77-93

Di, D. (2007). Continuities and Changes: A Comparative Study on China's Grand Strategy. *Historia Actual Online*, 12, 17-18.

Djankov, S. (2016). The Belt and Road Initiative in the Former Socialist Bloc. In Djankov, S. & Miner, S. (Eds.), *China's Belt and Road Initiative. Motive, Scope, and Challenges*. Retrieved from <https://piie.com/publications/piie-briefings/chinas-belt-and-road-initiative-motives-scope-and-challenges>

Editorial Department of Renmin Ribao (1975). Chairman Mao's Theory of the Differentiation of the Three Worlds is a Major Contribution to Marxism-Leninism, *Peking Review*, 20(45), 10-41

Esteban, M. (2017). *The Foreign Policy of Xi Jinping after the 19th Congress: China Strives for a Central Role on the World Stage*. Retrieved from http://www.realinstitutoelcano.org/wps/portal/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/ari87-2017-esteban-foreign-policy-xi-jinping-19th-congress-china-central-role-world-stage

European Council of Foreign Relations. (2012). *Facing the Risks of the 'going out' Strategy*. Retrieved from http://www.ecfr.eu/page/China_Analysis_Facing_the_Risks_of_the_Going_Out_Strategy_January2012.pdf

Fan, G. and Hope, N. (2013) *The Role of State-Owned Enterprises in the Chinese Economy*. Retrieved from <https://www.chinausfocus.com/2022/wp-content/uploads/Part+02-Chapter+16.pdf>

Ferdinand, P. (2016). Westward ho- the China dream and 'one belt, one road': Chinese foreign policy under Xi Jinping. *International Affairs*, 92 (49), 941-957

Findlay, C. & Watson, A. (1997). Economic growth and trade dependency in China. In Goodman, D. & Segal, G. (Eds.), *China Rising: Nationalism and interdependence* (pp. 107-133) New York: Routledge.

Florence, E. (2011). *The recent labor unrest in China and the Politics of handling collective mobilization by the Party-state* (Short Term Policy Brief 17). Retrieved from <https://pdfs.semanticscholar.org/2558/e253a5bdf569559226e8069dc3740584b5d4.pdf>

Foot, R. (2006). Chinese Strategies in a US-hegemonic global order: accommodating and hedging. *International Affairs*, 1, 77-94

Foot, R. & Walter, A. (2011). *China, the United States, and Global Order*. New York: Cambridge University Press.

Forbes. (2017a) *Kazakhstan Bets Big on China's Silk Road*. Retrieved from <https://www.forbes.com/sites/kenrapoza/2017/07/18/kazakhstan-bets-big-on-chinas-silk-road/#8a69a8e58053>

Forbes. (2017b). *How China's Infrastructure Investment Bank Fared Its First Year*. Retrieved from <https://www.forbes.com/sites/sarahsu/2017/01/14/how-chinas-asian-infrastructure-investment-bank-fared-its-first-year/#16ba92745a7f>

Fortune. (2017). *Global 500*. Retrieved from <http://fortune.com/global500/list/>

Fu, M. (2009). *Old Order Should Yield Place to New*. Retrieved from http://www.chinadaily.com.cn/bizchina/2009-05/18/content_7787953.htm

Gallagher, K. (2018). *Opinion: China's Role As the World's Development Bank Cannot Be Ignored*. Retrieved from <https://www.npr.org/2018/10/11/646421776/opinion-chinas-role-as-the-world-s-development-bank-cannot-be-ignored>

Glasser, B. & Morris, L. (2009). *Chinese Perceptions of U.S. Decline and Power*. *China Brief*, IX(14), 2-7

Gill, B. (2010). *Rising star: China's new security diplomacy*. Brookings Institution Press.

Global Times. (2012). “朱锋：维护核心利益亟待外交“大战略””, [*Zhu Feng: To protect China's core interests needs a diplomatic grand strategy*]. Retrieved from <http://opinion.huanqiu.com/1152/2012-09/3136177.html?agt=15422>

Global Times. (2012). *Wang Jisi: 'Xijin', zhongguo diyuan zhanlue de zai pingheng* [Wang Jisi: 'March West', China's geopolitical re-balance] Retrieved from http://opinion.huanqiu.com/opinion_world/2012-10/3193760.html

Goldstein, A. (2005). *Rising to the Challenge. China's Grand Strategy and International Security*. Stanford, CA: Stanford University Press.

Gore, L. (2016). *Rebuilding the Leninist Party Rule: Chinese Communist Party under Xi Jinping's Stewardship*. *East Asia Policy*, 8 (19), 5-15

Gramsci, A. (1971). *Selections from the Prison Notebooks of Antonio Gramsci*. New York: International Publishers.

Huang, Y. (2012). *Context, not history, matters for Deng's famous phrase*. Retrieved from <http://www.globaltimes.cn/content/661734.shtml>

Hudson, V. (2007). *Foreign Policy Analysis. Classic and Contemporary Theory*. New York: Rowman & Littlefield Publishers, Inc.

Huirong, Z. & Hongwei, W. (2012). China's Energy Foreign Policy Towards the Caspian Region: The Case of Kazakhstan. In Parvizi, M. & Guang, Y. (Eds.), *Secure Oil and Alternative Energy. The Geopolitics of Energy Paths of China and the European Union* (pp. 167-195) Massachusetts: Leiden.

Ikenberry, J. (2008). The Rise of China and the Future of the West: Can the Liberal System Survive?. *Foreign Affairs*, 87(1), 23-37

Indeo, F. (2017). A Comprehensive Strategy to Strengthen China's Relation with Central Asia. In Amighini, A. (Ed.). *China's Belt and Road: A Game Changer?* (pp. 35-51) Milano: ISPI.

International Crisis Group. (2013). *China's Central Asia Problem*. Retrieved from <https://www.crisisgroup.org/europe-central-asia/central-asia/china-s-central-asia-problem>

_____ (2017). *Central Asia Silk Road Rivalries*. Retrieved from <https://www.crisisgroup.org/europe-central-asia/central-asia/china-s-central-asia-problem>

International Monetary Fund (2019). *Currency Composition of Official Foreign Exchange*. Retrieved from <http://data.imf.org/?sk=E6A5F467-C14B-4AA8-9F6D-5A09EC4E62A4&sld=1408202647052>

Jacques, M. (2009), *When China rules the world: The end of the western world and the birth of a new global order*. London: Penguin.

Jiang, S. (2008). The Chinese Foreign Policy Perspective. In Roett, R. & Paz, G. (Eds.), *China's Expansion into the Western Hemisphere. Implications for Latin America and The United States* (pp. 27-43). Washington, D.C.: Brookings Institution Press.

Johnston, A.I. (2003). Is China a Status Quo Power. *International Security*, 27(4), 5-56

Kang, D. (2007). *China Rising. Peace Power and Order in East Asia*, New York: Columbia University Press.

Katzenstein, P. (1977). Domestic and International Forces and Strategies of Foreign Economic Policy. *International Organization*, 31(4), 587-606

KazMunaiGas. (2017). *Gas Transportation Projects. Kazakhstan-China Gas Pipeline*. Retrieved from <http://www.kmg.kz/eng/deyatelnost/project/ptg/>

Keohane, R. (1948). *After Hegemony. Cooperation and Discord in the World Political Economy*, Princeton: Princeton University Press.

Keohane, R. (1986) *Neorealism and Its Critics*, New York: Columbia University Press.

Keohane, R. & Nye, J. (1977) *Power and Interdependence Worlds Politics in Transition* (1st ed.). Boston: Brown.

_____ (2012) *Power and Interdependence*, (4th ed.). Boston: Logman.

Královičová, M. & Zátka, M. (2016). *One belt one road initiative in Central Asia: implications for competitiveness of Russian economy*. Retrieved from <https://ideas.repec.org/p/msm/wpaper/2016-9.html>

Lai, H. (2002). China's Western Development Program. Its Rationale, Implementation, and Prospects. *Modern China*, 28(4), 432-466

Lampton, D. (2005). China's rise in Asia need not be at America's expense. In Shambaugh, D. (Ed.), *Power Shift: China and Asia's New Dynamics* (pp. 306-28). Berkeley: University of California Press.

Layne, C. (2008). China's Challenge to US Hegemony. *Current History*, 107(705), 13-18

Legro, J. W. (2007). What China will want: the future intentions of a rising power. *Perspectives on Politics*, 5(03), 515-534

Li, J. (2014). Report: Silk Road Economic Belt May Be Divided into Three Phases; Initial Completion Predicted in 2049. *Zhong- guo Xinwen Wang*.

Li, L. , Willet, T., & Zhang, N. (2011). The Effects of the Global Financial Crisis on China's Financial Market and Macroeconomy. *Economics Research International*, 2012, 1-6.

Lin, L. W. (2013). State Ownership and Corporate Governance in China: An Executive Carrer Approach. *Columbia Business Law Review*, 3, 743-800.

Liu, G. (2008). Domestic Sources of China's Emerging Grand Strategy. *Journal of Asian and African Studies*, 43(5), 543-561

Mariani, B. (2013). *China's Role and Interests in Central Asia*. Retrieved from <https://www.saferworld.org.uk/downloads/pubdocs/chinas-role-and-interests-in-central-asia.pdf>

McMillen, D.H. (2009). China, Xinjiang and Central Asia – “glocaty” in the year 2008. In Mackerras, C. & Clarke, M. (Eds.), *China, Xinjiang and Central Asia. History, transition and crossborder interaction into the 21st century*. (pp. 1-20), New York: Routledge.

Mearsheimer, J. (2001). *The Tragedy of Great Power Politics*. New York: W.W. Norton & Company.

_____ (2006). China's Unpeaceful Rise. *Current History*, 105(690), 160-162

_____ (2010). The Gathering Storm: China's Challenge to US Power in Asia, *The Chinese Journal of International Politics*, 3, 381-396.

Ministry of Commerce People's Republic of China. (2015), Catalogue for the Guidance of Foreign Investment Industries, 2011. Retrieved from <http://english.mofcom.gov.cn/article/policyrelease/aaa/201203/20120308027837.shtml>

Ministry of Commerce People's Republic of China. (2016) Official of the Department of Outward Investment and Economic Cooperation of the Ministry of Commerce Comments on China's Outward Investment and Economic Cooperation in 2015 Retrieved from <http://english.mofcom.gov.cn/article/newsrelease/policyreleasing/201602/20160201251488.shtml>

Ministry of Foreign Affairs of the People's Republic of China. (2011). *China issues white paper on peaceful development*. Retrieved from https://www.fmprc.gov.cn/mfa_eng/topics_665678/whitepaper_665742/t856325.shtml

Ministry of Foreign Affairs of the People's Republic of China. (2013). *Promote Friendship Between Our People and Work Together to Build a Bright Future*. Retrieved from http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1078088.shtml

_____ (2014a). China entered into diplomatic relations with independent former Soviet republics. Retrieved from http://www.fmprc.gov.cn/mfa_eng/ziliao_665539/3602_665543/3604_665547/t18019.shtml

_____ (2014b). *Ministry of Foreign Affairs Holds Briefing for Chinese and Foreign Media on Premier Li Keqiang's Visit to Kazakhstan and Holding of Second Regular Meeting with Prime Minister of Kazakhstan*. Retrieved from http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1219578.shtml

_____ (2014c). *The Central Conference on Work Relating to Foreign Affairs was Held in Beijing*. Retrieved from http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1215680.shtml

Ministry of Foreign Affairs of the Republic of Uzbekistan. (2017). *Cooperation of the Republic of Uzbekistan with the Countries of the Asia and The Pacific*. Retrieved from <https://mfa.uz/en/cooperation/countries/374/>

Mintz, A. & Derouen, K. Jr. (2010). *Understanding Foreign Policy Decision Making*. Cambridge: Cambridge University Press.

Mission of the People's Republic of China to the European Union. (2012). *Vigorously Promoting Comprehensive Strategic Partnership Between China and the European Union. Speech by H.E. Wen Jiabao at the China-EU Investment and Trade Forum*. Retrieved from <http://www.chinamission.be/eng/zt/t10-1949.htm>

MOFA. (2003). *Exploring the Path of Major-Country Diplomacy with Chinese Characteristics*. Retrieved from http://www.fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/t1053908.shtml

MOFA. (2003). 'Turning your Eyes to China'. *Speech by Premier Wen Jiabao at Harvard University*. Retrieved from <http://www.fmprc.gov.cn/ce/ceun/eng/xw/t56090.htm>

MOFA (2013). *Promote Friendship Between Our People and Work Together to Build a Bright Future*. Retrieved from https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1078088.shtml

MOFA (2019). *Yang Jiechi on the Belt and Road Initiative and Preparations for the Second Belt and Road Forum for International Cooperation*. Retrieved from https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1650535.shtml

Moore, T. (2005). Chinese Foreign Policy in the Age of Globalization. In Deng, Y. & Wang, F. (Eds.), *China Rising: Power and Motivation in Chinese Foreign Policy* (pp. 121-158). Lanham, MD: Rowman & Littlefield

Nadege, R. (2019). A Concise Guide to the Belt and Road Initiative. *The National Bureau of Asian Research*. Retrieved from <https://www.nbr.org/publication/a-guide-to-the-belt-and-road-initiative/>

National Bureau of Statistics of China. (2002). *Definitions*. Retrieved from http://www.stats.gov.cn/english/classificationsmethods/definitions/200204/t20020419_72393.html

National Bureau of Statistics of China (2013). *Statistical Communiqué of the People's Republic of China on the 2012 National Economic and Social Development*. Retrieved from http://www.stats.gov.cn/english/NewsEvents/201302/t20130222_26962.html

_____ (2016). *China Statistical Yearbook 2015*. Retrieved from <http://www.stats.gov.cn/tjsj/ndsj/2015/indexeh.htm>

_____ (2017). *China Statistical Yearbook 2016*. Retrieved from <http://www.stats.gov.cn/tjsj/ndsj/2016/indexeh.htm>

National Bureau of Statistics of China (2018). *Statistical Communiqué of the People's Republic of China on the 2017 National Economic and Social Development*. Retrieved from http://www.stats.gov.cn/english/pressrelease/201802/t20180228_1585666.html

National Development and Reform Commission (2015). *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st – Century Maritime Silk Road*. Retrieved from http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html

Naughton, B. (2010). Reading the NPC: Post-crisis economic dilemmas of the Chinese leadership. *China Leadership Monitor*, 32, 1-10. Retrieved from <http://media.hoover.org/sites/default/files/documents/CLM32BN.pdf>

Nye, J. Jr. (2011). *A shift in Perceptions of Power*. Retrieved from <https://www.latimes.com/opinion/la-xpm-2011-apr-06-la-oe-nye-china-20110406-story.html>

Organski, A.F.K. (1958). *World Politics*, New York: Knopf.

Pearson, M. (1999) The Major Multilateral Economic Institutions Engage China. In Johnston, A. & Ross, R. (Eds.), *Engaging China: the management of an emerging power* (pp. 212-240). New York: Routledge.

Peña, A. (2013). China: El Camino hacia la Restauración Capitalista. *Jiexi Zhongguo, Análisis y Pensamiento Iberoamericano sobre China*, 7, 69-87

Permanent Mission of the People's Republic of China to the UN. (2009). *Remarks by President Hu Jintao at the Third G20 Financial Summit*. Retrieved from <http://www.china-un.org/eng/hyyfy/t608103.htm>

Petelin, E. (2011). China's Energy Monologue in Central Asia. *Security Index*, 17 (4), 29-46

Peyrouse, S. (2010). Military Cooperation Between China and Central Asia: Breakthrough, Limits and Prospects. *China Brief*, 10 (5), 10-15

_____ (2016). Discussing China: Sinophilia and Sinophobia in Central Asia. *Journal of Eurasian Studies*, 7, 14-23

Pu, X. (2017). Controversial identity of a rising China. *The Chinese Journal of International Politics*, 10(2), 131-149

Putnam, R. (1998) Diplomacy and Domestic Politics: The Logic of Two-Level Games. *International Organization*, 42(3), 427-460

Quang, N. (2017). China's Strategic Adjustments: Impact on the World, Region and Vietnam. *China Report*, 53(3), 367-385

Quartz Media. (2017). *One Belt, One Road. Your guide to understanding OBOR, China's new Silk Road plan*. Retrieved from <https://qz.com/983460/obor-an-extremely-simple-guide-to-understanding-chinas-one-belt-one-road-forum-for-its-new-silk-road/>

Qin, Y. (2014). Continuity through Change: Background Knowledge and China's International Strategy. *The Chinese Journal of International Politics*, 7(3), 285-314

Qiushi. (2014). *Innovations in China's Diplomatic Theory and Practice Under New Circumstances*. Retrieved from http://english.qstheory.cn/magazine/201401/201401/t20140121_315115.htm

Radio Free Asia (2008). *China Braces for Social Unrest*. Retrieved from <https://www.rfa.org/english/news/china/unrest-12222008100212.html>

Reuters. (2017) Road Rage. Retrieved from <https://www.breakingviews.com/features/review-chinas-new-silk-road-mined-with-distrust/>

Robinson, W.I. (2004). *A Theory of Global Capitalism. Production, Class, and State in a Transnational World*. Baltimore: The Johns Hopkins University Press.

Rose, G. (1998) Neoclassical Realism and Theories of Foreign Policy. *World Politics*, 51(1), 144-172

Ross, R. (2013). The Domestic Sources of China's "Assertive Diplomacy", 2009-10. Nationalism and Foreign Policy. In Foot, R. (Ed.), *China Across the Divide: The Domestic and Global in Politics and Society* (pp. 1-23). [e-book] Oxford: Oxford University Press. Retrieved from doi: 10.1093/acprof:oso/9780199919864.003.0004

Ross, R. & Tunsjø, Ø. (2017). *Strategic Adjustment and the Rise of China*. Ithaca, NY: Cornell University Press.

Roy, D. (1994) Hegemon on the Horizon? China's Threat to East Asian Security. *International Security*, 19(1), 149-168

_____ (2014) China's Grand Strategy is not absent, just contradictory. Retrieved from https://www.eastwestcenter.org/publications/china-s-grand-strategy-not-absent-just-contradictory?utm_source=Weekly+Journal+Articles+Alert--+9+Dec+2014&utm_campaign=Weekly+article+Alert+-+201412209&utm_medium=email

Segal, G. (1999) Does China Matter?. *Foreign Affairs*, 78(5), 24-36

Shambaugh, D. (2011). *Foreword*. in Hearn, A. & León-Manríquez, J. (Eds.), *China Engages Latin America. Tracing the Trajectory*, (pp. ix-x). Colorado: Lynne Rienner.

Shambaugh, D. (2013). *China Goes Global. The Partial Power*. New York: Oxford University Press.

Shanghai Cooperation Organization Portal. (2017). *About SCO*. Retrieved from http://eng.sectsc.org/about_sco/

Shirk, S. (1993). *The Political Logic of Economic Reform in China*. Los Angeles, CA: University of California Press.

Shirk, S. (2008). *China Fragile Superpower*. New York: Oxford University Press.

Singer, J. D. (1961). The Level-of-Analysis Problem in International Relations. *World Politics*, 14(1), 77-92

Sklair, L. (2002a). The Transnational Capitalist Class and Global Politics: Deconstructing the Corporate-State Connection. *International Political Science Review*, 23(2), 159-174

Sklair, L. (2002b). *Globalization, Capitalism & its Alternatives*. New York: Oxford University Press.

South China Morning Pos. (2017). *How the Communist Party controls China's state-owned industrial titans*. Retrieved from <http://www.scmp.com/news/china/economy/article/2098755/how-communist-party-controls-chinas-state-owned-industrial-titans>

Statista. (2016). *Gross domestic product (GDP) of China in 2016, by region (in billion yuan)*". Retrieved from <https://www.statista.com/statistics/278557/gdp-of-china-by-region/>

Stenslie, S. & Chang, C. (2016). Xi Jinping's Grand Strategy. From Vision to Implementation. In Ross, R. & Bekkevold, J. I. (Eds.), *China in the Era of Xi Jinping*.

Domestic and Foreign Policy Challenges (pp. 65-73). Washington, DC: Georgetown University Press.

Strange, S. (1988). *State and Markets*. London: Printer Publishers.

Sun, Z. (2007). The Relationship between China and Central Asia. In Iwashita, A. (Ed.) (2007), *Eager Eyes fixed on Eurasia*, (pp. 41-63). Sapporo: Slavic Eurasian Studies,

Syroezhkin, K. (2002). Central Asia Between the Gravitational Poles of Russia and China. In Rumer, B. (Ed.), *Central Asia. A Gathering Storm?*, (pp. 169-207). New York: M.E. Sharpe.

Swaine, M. (2011). *China's Assertive Behavior. Part One: On 'Core Interests'*. *China Leadership Monitor*, 34, 2. Retrieved from http://carnegieendowment.org/files/CLM34MS_FINAL.pdf

Swaine, M. (2018). *Chinese Views of Foreign Policy in the 19th Party Congress*. Retrieved from <http://carnegieendowment.org/2018/01/11/chinese-views-of-foreign-policy-in-19th-party-congress-pub-75240>

Swaine, M. D., & Tellis, A. J. (2000). *Interpreting China's Grand Strategy: Past, Present and Future*. Santa Monica, Calif.: RAND

Swanström, N. et al. (2007). China. In Starr, S.F. (Ed.), *New Silk Roads: Transport and trade in Greater Central Asia*, (pp. 385-422). Washington DC: Central Asia and Caucasus Institute.

Swanström, N. (2015). *The Security Dimension of the China- Central Asia Relationship: China's Military Engagement with Central Asia Countries*. Retrieved from https://www.uscc.gov/sites/default/files/Swanstrom%20Testimony_3.18.15.pdf

Szamosszegi, A. & Kyle, C. (2011). *An Analysis of State-owned Enterprises and State Capitalism in China*", for U.S.- China Economic and Security Review Commission. Retrieved from https://www.uscc.gov/sites/default/files/Research/10_26_11_CapitalTradeSOEStudy.pdf

Szczudlik-Tatar, J. (2015). *Towards China's Great Power Diplomacy under Xi Jinping*, *The Polish Institute of International Affairs*, 9, III. Retrieved from https://www.pism.pl/files/?id_plik=19622

Tajikistan Asia-Plus. (2017). *China leads in direct investment in Tajikistan's economy*. Retrieved from <https://news.tj/en/news/tajikistan/economic/20170203/236278>

The Astana Times. (2017). *Cosco Shipping to invest in Khorgos-Eastern Gate free economic zone*. Retrieved from <https://astanatimes.com/2017/05/cosco-shipping-to-invest-in-khorgos-eastern-gate-free-economic-zone/>

The Diplomat. (2015). *Kazakhstan: 100 Steps Toward a New Nation*. Retrieved from <https://thediplomat.com/2015/07/kazakhstan-100-steps-toward-a-new-nation/>

_____ (2016). *China's Nightmare: Xinjiang Jihadists Go Global*. Retrieved from <https://thediplomat.com/2016/08/chinas-nightmare-xinjiang-jihadists-go-global/>

_____ (2017). *Rise of the Redback: Internationalizing the Chinese Renminbi*. Retrieved from <https://thediplomat.com/2017/09/rise-of-the-redback-internationalizing-the-chinese-renminbi/>

The New York Times. (2009). *U.S. accuses the Chinese of harassing naval vessel*. Retrieved from <https://www.nytimes.com/2009/03/09/world/asia/09iht-ship.3.20710715.html>

The Washington Post (2010). *U.S. takes a tougher tone with China*. Retrieved from <http://www.washingtonpost.com/wp-dyn/content/article/2010/07/29/AR2010072906416.html>

The White House Office of the Press Secretary (2011). *Remarks by the President Obama to the Australian Parliament*. Retrieved from <https://obamawhitehouse.archives.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament>

Tse-tung, M. (1961). On the People's Democratic Dictatorship. Selected Works of Mao Tse-tung. Peking: Foreign Languages Press. IV, 411-424

Tuo, C. (2010). Dangdai Zhongguo guoji dingwei de ruogan sikao (Some Reflections on China's International Positioning). *Zhongguo shehui kexue (Social Sciences in China)*, 5, 121-36.

United Nations Development Programme China. (2015). 2015 *Report on the Sustainable Development of Chinese Enterprises Overseas*. Retrieved from <http://www.cn.undp.org/content/china/en/home/library/south-south-cooperation/2015-report-on-the-sustainable-development-of-chinese-enterprise.html>

U.S. Department of Commerce. (2017). *China -7- State Owned Enterprises*. Retrieved from <https://www.export.gov/article?id=China-State-Owned-Enterprises>

UzDaily. (2017) *Uzbekistan, China discuss development of trade-economic relations*. Retrieved from <https://www.uzdaily.com/articles-id-38819.htm>

Van der Pijl, K. (1997). Transnational class formation and state forms. In Gill, S. & Mittelman, J. (Eds.), *Innovation and transformation in international studies*. (pp. 115-137). Cambridge: Cambridge University Press.

Vendryes, T. (2012). Chinese firms 'going out': An economic dynamic with political significance. *China Perspectives*, 2012(1), 67-68

Wacker, G. (2015) *The Irreversible Rise. A New Foreign Policy for a Stronger China*. In Amighini, A. & Berkofsky A. (Eds.), *Xi's Policy Gambles: The Bumpy Road Ahead*. Milano: Edizioni Epoké.

Walt, S. (1987). *The Origin of Alliances*. Ithaca: Cornell University Press.

Waltz, K. (1979). *Theory of International Politics*. California: Addison-Wesley.

Wang, F.L. (2005). Preservation, Prosperity and Power: what motivates China's foreign policy? *Journal of Contemporary China*, 14(45), 669-694

Wang, J. (2011a). China's Search for a Grand Strategy: A Rising Great Power Finds its Way. *Foreign Affairs*, 90(2), 68-79

Wang, J. (2011b). The International Positioning of China and the Strategic Principle of "Keeping a Low Profile While Getting Something Accomplished CAJ Journal (in chinese)', pp. 28–31

Wang, T. (2008) The Rise of China and its Emerging Grand Strategy. *Journal of Asian and African Studies*, 43(5), 491-496

Wang, Z. (2014) The Chinese Dream: Concept and Context. *Journal of Chinese Political Science*, 19, 1-13

Wiatr, J. (1974). A Sociological Perspective in the Study of International Relations. *International Social Science Journal*, XXVI(1), 109-118

World Bank. (2016). *Trade (% of GDP) China*. Retrieved from <https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?locations=CN>

World Bank. (2017). *Exports of goods and services (% of GDP) China*. Retrieved from <https://data.worldbank.org/indicator/NE.EXP.GNFS.ZS?locations=CN>

World Bank. (2018). *China*. Retrieved from <https://data.worldbank.org/country/china>

World Bank. (2019a). *The World Bank in China: Overview*. Retrieved from <https://www.worldbank.org/en/country/china/overview>

World Bank. (2019b). *GDP Growth (Annual %) United States*. Retrieved from <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=US>

World Bank. (2019c). *GDP Growth (Annual %) World*. Retrieved from <https://data.worldbank.org/indicator/ny.gdp.mktp.kd.zg>

World Economic Forum. (2017). *China's \$900 billion New Silk Road. What you need to know*. Retrieved from <https://www.weforum.org/agenda/2017/06/china-new-silk-road-explainer/>

World Nuclear Association. (2017). *Uranium and Nuclear Power in Kazakhstan*. Retrieved from <http://www.world-nuclear.org/information-library/country-profiles/countries-g-n/kazakhstan.aspx>

Wu, J. (2015). *China to play a bigger role as a world contributor*. Retrieved from http://usa.chinadaily.com.cn/opinion/2015-04/20/content_20481447.htm

Xinhua. (2017a). *Full text of Xi Jinping's report at the 19th CPC National Congress*. Retrieved from http://www.xinhuanet.com/english/special/2017-11/03/c_136725942.htm

Xinhua. (2017b). *Full text of President Xi's speech at opening of Belt and Road Forum*. Retrieved from http://www.xinhuanet.com/english/2017-05/14/c_136282982.htm

Xinhuanet. (2015). *China headlines: China initiates new round of reform and opening up*. Retrieved from http://news.xinhuanet.com/english/2015-09/23/c_134651397.htm

Xinhuanet. (2016a). *Chinese, Uzbek leaders hail inauguration of Central Asia's longest railway tunnel*. Retrieved from http://news.xinhuanet.com/english/2016-06/23/c_135458470_2.htm

_____ (2016b). *Xi Jinping zai quanguo guoyou qiye dang de jianshe gongzuo huiyi shang qiangdiao jianchi dang dui guoqi de lingdao bu dongyao* [Xi Jinping Stressed at the Working Conference on the Construction of State-owned enterprises: Upholding Party's Leadership over State-owned Enterprises] Retrieved from http://www.xinhuanet.com/2016-10/11/c_1119697415.htm

Xinhuanet. (2017a). *Full text of Chinese state councilor's article on Xi Jinping's Diplomacy Thought*. Retrieved from http://www.xinhuanet.com/english/2017-07/19/c_136456009.htm

_____ (2017b). *Oil imports through Sino-Kazakh pipeline hit 100 mln tonnes*. Retrieved from http://news.xinhuanet.com/english/2017-03/29/c_136168316.htm

_____ (2017c). *China, Tajikistan agree to forge comprehensive strategic partnership*. Retrieved from http://news.xinhuanet.com/english/2017-08/31/c_136571989.htm

Xinhuanet. (2017d). *Full text: List of deliverables of Belt and Road Forum*. Retrieved from http://news.xinhuanet.com/english/2017-05/15/c_136286376.htm

_____ (2017e). *Keywords of China's major-country diplomacy: Six major economic corridors and AIB*. Retrieved from http://news.xinhuanet.com/english/2017-09/18/c_136618958.htm

Xing, L. (2016). *The Expansion of China's Global Hegemonic Strategy: Implications for Latin America*. *Journal of China and International Relations, Special Issue*, 1-26.

Xu, J. (2014). *Rethinking China's Period of Strategic Opportunity*. Retrieved from http://www.ciis.org.cn/english/2014-05/28/content_6942258.htm

Xuetong, Y. (2014). *From Keeping a Low Profile to Striving for Achievement*. *The Chinese Journal of International Politics*, 7(2), 153-184

Yan, X. (2014). *From Keeping a Low Profile to Striving for Achievement*. *The Chinese Journal of International Politics*, 7 (2), 153-184

Yang, L. (2013). *China's Growth Miracle: Past, Present, and Future*. *United Nation Research Institute for Social Development*, 7, 1-17

Yang, X. (2001). *The Rise of China in Chinese Eyes*. *Journal of Contemporary China*, 10(26), 33-39

_____ (2006). *The Rise of China and its Power Status*. *Chinese Journal of International Politics*, 1, 5-33

Yin, R. K. (2003). *Case study research: Design and methods* (3rd ed.). California: Sage.

Yu-Shek Cheng, J. & Wankun Zhang, F. (1999). Chinese Foreign Relations Strategies Under Mao and Deng: A Systematic and Comparative Analysis. *Philippine Journal of Third World Studies*, 14 (3)

Zbigniew B. (2005). Make money, not war. *Foreign Policy*, 146, 46–7

Zhang, B. (2014). Xi Jinping, 'Pragmatic' Offensive Realism and China's Rise. *Global Asia*, 9(2), 70-79

Zhang, F. (2012). Rethinking China's grand strategy: Beijing's evolving national interests and strategic ideas in the reform era. *International Politics*, 49 (3), 318-345

Zhang, F. et al. (2017). The Effect of RMB Internationalization on Belt and Road Initiative: Evidence from Bilateral Swap Agreements. *Emerging Markets Finance and Trade*, 12 (53), 2845-2857

Zhang, S. (Ed.). (2004). *Chinese Foreign Policy: Pragmatism and Strategic Behavior*. New York: M.E. Sharper.

Zhang, Z., Li, W. & Shi, N. (2009). *Handling the Global Financial Crisis: Chinese Strategy and Policy Response*. Retrieved from <https://ssrn.com/abstract=137704>

Zhao, T. (2006). Rethinking Empire from a Chinese Concept 'All-under-Heaven' (Tianxia, 天下), *Social Identities*, 12(1), 29-41

Zhao, K. (2016). *China's Rise and Its Discursive Power Strategy*. Retrieved from <https://link.springer.com/article/10.1007/s41111-016-0027-x>

Zhao, Q. (1997). Chinese Foreign Policy in the Post-Cold War Era. *World Affairs*, 159(3), 26

Zheng, B. (2006). *China's Peaceful Rise: Speeches of Zheng Bijian 1997-2005*. Brookings Institution Press.

Zhou L. & Leung D. (2015). China's Overseas Investments. Retrieved from <http://www.wri.org/blog/2015/01/china's-overseas-investments-explained-10-graphics#fn:1>

ANNEX

List of Interviews⁴³

Interview # 1

Not disclosed

Beijing Scholar

Date and place of the Interview: 5/07/2016 (Beijing)

Interview # 2

Not disclosed

Beijing Scholar

Date and place of the Interview: 6/07/2016 (Beijing)

Interview # 3

Not disclosed

Shanghai Scholar

Date and place of the interview: 12/07/2016 (Shanghai)

Interview # 4

Not disclosed

Shanghai Researcher

Date and place of the Interview: 14/07/2016 (Shanghai)

Interview #5

Not disclosed

Shanghai Scholar

Date and place of the interview: 18/07/2016 (Shanghai)

Interview #6

Not disclosed

⁴³ Some of these interviews were conducted anonymously. The names and positions of the interviewees are concealed to preserve their anonymity and are chronologically organized in this section

Hong Kong based Researcher

Date and place of the Interview: 02/04/2016 (Hong Kong)

Interview #7

Professor Zhang Baouhi

Lingnan University

Date and place of the Interview: 19/04/2018 (Hong Kong)

Interview # 8

Professor Sebastien Colin

CEFC - INALCO Paris

Date of the Interview: 11/05/2018 (Hong Kong)

Interview # 9

Not disclosed

Consular Civil Servant

Date and place of the interview: 06/06/2018 (Hong Kong)

Interview # 10

Jean Pierre Cabestan

Hong Kong Baptist University

Date and place of the Interview: 11/06/2018 (Hong Kong)

Interview #11

Not disclosed

Hong Kong Analyst

Date and place of the interview: 13/06/2018 (Hong Kong)

Interview # 12

Professor Qu Bo

China Foreign Affairs University

Date and place of the interview: 31/06/2018 (Beijing)

Interview #13

Not disclosed

Researcher at the Government Think Tank

Date of Interview: 02/07/2018

Interview #14⁴⁴

Not disclosed

Beijing based researcher

Date of the interview: 2/07/2019

Interview #15

Professor Lu Yang

Tsinghua University

Date and place of the interview: 04/07/2018 (Beijing)

Interview #16

Zoon Ahmed

Research Fellow Tsinghua University

Date and place of the interview: 04/07/2018 (Beijing)

Interview # 17

Wu Zinhua

Former Correspondent at People's Daily

Date and place of the interview: 06/07/2018 (Beijing)

Interview #18⁴⁵

Not disclosed

Chinese Government Official

Date of the interview: 09/07/2018

Interview #19

Not disclosed

Beijing Scholar

Date and place of the interview: 09/07/2018 (Beijing)

Interview #20

Not disclosed

⁴⁴ Telephone interview

⁴⁵ Telephone interview

Beijing Researcher

Date and place of the interview: 10/07/2018 (Beijing)