Chinese Soft Power: Friendship Instead of Fearship

 By

Jonathan Doc Bradley

Department of Political Science

University of Nevada, Las Vegas

**Introduction**

The People’s Republic of China’s position on the world stage has greatly increased over the last 30 years. Countries who are seeking a path to modernization, or authoritarian governments who wish to maintain power but still reap the benefits of being a modernized state, can look to the People’s Republic of China (PRC) as a model. The PRC now wants to be viewed as a “good neighbor” instead of the socialist threat so often espoused by the West. To this end, the PRC is consistently using soft power to increase its stature among the nations of the world. Through soft power, the PRC is trying to create a harmonious, multi-polar world. In conjunction with the PRC’s application of soft power, less developed states have started to view the PRC’s meteoric rise as a new path to modernization and success. Beyond that, the PRC’s incorporation of soft power is helping to create and strengthen friendships both regionally and abroad.

The PRC is a resource-hungry nation, but its needs go beyond food and land. A pressing desire for the PRC is new and expanded markets for its goods. Central America is a ripe market for PRC trade. The countries of Central America are reasonably accessible to the PRC through ocean shipping. These countries also have experienced improved conditions and economic stability over the last two decades. The countries of Central America are at various stages of modernization themselves, but most have not yet reached the industrialization level of the PRC. Whereas the PRC once reached out to the world for help on its path to modernization, it is now in a position to help others in the same situation. To be sure, this help is not completely altruistic. Central America’s proximity to the United States (US) market, as well as Central America’s food production capabilities, raw materials and cheap labor, make Central America a very attractive location for Chinese foreign direct investment. However, in Central America, only Costa Rica and Mexico officially recognizes the PRC as the legitimate, or as is often referred to in the literature, one China (Lum et. al, 2009). Official diplomatic recognition is important to the PRC.

This article will examine PRC’s soft power and its effectiveness in the international relations arena. The research will show that the PRC application of soft power has aided the PRC in creating good will towards itself from other nations in the world, particularly in Central America. The use of soft power has aided the Chinese Communist Party in its goal to further isolate the Republic of China on the island of Taiwan thus increasing the chances of reunification. The PRC is also working to increase its hard power through economic and military means, especially regionally. Utilization of economic prowess is included in the definition of hard power, but not all aspects of economic power are easily attributed to hard power. Economic aid, unfettered foreign direct investment, the general appeal of a strong economy, and trade can all be either direct applications of soft power or they can aid in creating more good will between states thus strengthening friendships. It is also important to present information on the Beijing Consensus which is becoming more prominent in the International Relations paradigm of research on the PRC. The overriding investigation of this article is “Is the PRC’s soft power initiative actually producing results, especially in the arena of reunification?” This article shows evidence that the answer is yes. The conclusions section will reiterate the points made through the article and also include a discussion on how the US is affected by the PRC’s growing power.

**Concepts and Methods**

Joseph Nye coalesced the idea of soft power in his 1990 work *Bound to Lead.* His work builds on the concept of national power as detailed by Hans J. Morgenthau’s (Huang & Ding, 2006). In essence, soft power is the ability for a nation to achieve its goals through attraction, and not through intimidation or bribery (Nye, 1990). In Nye’s concept, soft power relies mostly on foreign policy, political and social values, plus national culture. Soft power is an external manifestation to be applied to foreign states. Nye additionally conceptualizes soft power going hand-in-hand with hard power (economic power and military power). Soft power refers to achieving goals through attraction rather than coercion or payments (Cho & Jeong, 2008). Soft power is the power of attraction (Huang & Deng, 2007). Where Nye defines western soft power as a tool that developed on its own, somewhat independently of state planning, the Chinese Communist Party is actively employing soft power as part of its charm offensive around the world.

For the purposes of this article, modernization theory is also a guiding framework, but only as the seedbed from which PRC soft power grew. It is difficult to do an accurate assessment of the PRC without including its rapid and structured modernization. To that end, modernization theory is utilized as the over-arching theoretical framework. Much modern Chinese academic scholarship views the rise of the PRC in a modernization paradigm, but it is somewhat different than the traditional view of western modernization theory. Western modernization theory states that socioeconomic development is linked with coherent and somewhat predictable culture and political changes (Inglehart & Welzel, 2005:19). A liberal democracy is not required for industrialization. However, where modernization theory extols western liberal democracy is in the post-industrialist phase. In this phase the goal of modernization is to become like the west in all aspects (Cao, 2009). “The western world is widely perceived to be the highest development stage of human social evolution. And it was believed that the non-western world would use the western as an example to pursue” (Peng, 2009). The PRC’s success in modernization without liberalization (at least not western style liberalization) has made the PRC model, referred to as the Beijing Consensus, attractive to authoritarian regimes that seek to modernize without democratizing.

Many countries in the Global South are starting to be attracted to a modernization path known as the Beijing Consensus (Huang & Ding, 2007). The Beijing Consensus, also known as the China Model, stands in contrast to the western model known as the Washington Consensus. The Washington Consensus places heavy demands for democratic reforms and neoliberalism from countries seeking various types of aid from the West. The Washington Consensus tends to measure success in economic terms (Chen & Goodman, 2012). Whereas, instead of pure Gross Domestic Product, the Beijing Consensus model measure quality of life and equality as importantly as economic success, at least in theory. It also measures a nation’s level of self-determination in its actions on the world stage. The Beijing Consensus model takes into account the level of innovation a nation employs in its own development (Ramo, 5/11/2004; Huang & Ding, 2007).

Hegemonic Stability Theory postulates the world stability is greatly increased if there is a single, dominant, world power (hegemon). The leadership of this dominant state becomes a focal point for world harmony. The hegemon uses coercion, intimidation, economic or military power, diplomacy, or simple persuasion as tools to maintain stability. The sheer scope of power of the hegemon makes the before mentioned tools effective on the world stage (Koehane, 1980). The PRC, however, advocates a multipolar world in which regional hegemonies promote regional stability. For the PRC, regional hegemony provides much more stability and understanding through cultural similarities. The PRC has experienced the effects of domination by foreign states from the other side of the world and seemingly seeks to prevent that in the future for itself and other states (Turner, 2009). The Chinese Communist Party claims it has no desire to see the PRC turn into a world hegemonic power to rival the US. However, it is possible that regional hegemony by China would require a relinquishing of US dominance in the region. This is most likely true of US military posturing in East and Southeast Asia, but the US’ own soft power in the region should easily coexist with PRC soft power.

**Significance of Research**

The Chinese Communist Party’s policy of a “harmonious world” is a signal to the other nations the PRC is placing itself on the world stage (Zheng & Tok, 2007). The PRC is using soft power to redraw the map of geopolitical alliances to help propel itself to a position of power (Huang & Ding, 2006). The PRC has become a major factor in international relations, and its policies have an effect on many nations throughout the world. Its rise to power has become a very attractive pathway to many states in the global south who no longer want to adhere to the western model of modernization, or more importantly, the West idea of what a modern nation/state is supposed to look like.

The Beijing Consensus, at this point, is more of a theoretical concept than a stated goal of the Chinese Communist Party. However, if the PRC continues its rise and can stabilize itself to be a lasting power, the Beijing Consensus will become a very attractive alternative to the Washington Consensus in many Global South nations that are seeking to modernize. Even though the CCP is not actively exporting the Beijing Consensus model, it may very well become a viable path for other states to follow. By utilizing soft power throughout the world to improve its image and further its goals, the CCP is making the Beijing Consensus more attractive. This research will provide a better understanding how PRC soft power is creating a new paradigm in international relations.

Additionally, multi-national military conflict seems to be giving way to internalized conflict. Massive, over-the-border wars may become aspects of history as opposed to future threats. Not too completely discount the possibility of future state to state warfare, but global wars that involve entire continents do not appear to be looming on the horizon. This could very well be a result of the US’ unipolar hegemony. Because of the sheer dominance of US military might, it would be unwise for any country to attempt to usurp US hegemony through military means. However, economic dominance has become a possibility. This has become more feasible after the Great Recession of 2008. Soft power could become a very effective tool in the international arena of the 21st century. The PRC is incorporating soft power directly into its foreign policy, instead of just allowing it to act amorphously. If the PRC is able to create strong friendships through soft power, instead of international “fearships” through its growing military power, the PRC could possibly create a soft-power-based hegemony. Arguably, that likelihood is remote, but the Chinese Communist Party seems to think it is possible. And if it does, Hegemonic Stability Theory will most likely need to be retooled (Keohane, 1980).

One potential flash point that could lead to armed conflict is Taiwan. The US has repeatedly assured the Taiwanese that if the PRC attempted to take the island through military force the US would intervene. The Chinese Communist Party has repeatedly stated that an attempt by Taiwan to become independent could result in a military intervention by the PRC. If this did happen, and the US decided to hold to its stated obligation, it could result in a limited conflict in the South China Sea that could escalate into a very ugly war. As of now, there appears to be a level of détente between the PRC and Taiwan over reunification. The PRC is, though, using ample doses of soft power to lure Taiwan to reconciliation, thus preventing any need for military conflict. Better understanding of this application of soft power will contribute to the growing literature on resolving internalized and externalized conflicts without resorting to military or economic means.

**Scholarship on Chinese Soft Power Utilization**

Utilizing soft power to promote regional stability and rapid but controlled modernization are both stated goals of the PRC. These paradigms are readily being used by the Chinese Communist Party to further its goals. Because of this, there is a plethora of scholarly material on both. Some of the most interesting aspects of the application of soft power by the PRC are discussions of the rich cultural history China possesses. Sharing culture and the attractiveness of one’s culture are very powerful forms of soft power. Chinese religious history has permeated the world and become a strong aspect of PRC soft power. Buddhism, Taoism and the philosophy of Confucius (Master Kung-Fu-Zi), all teach harmony, virtue and peace. The PRC has reincorporated these ideas in its application of soft power as a way of showing the world that it seeks to live in harmony without suppressing differences (Li, 2008). The Chinese Communist Party has distaste for religion, even the ones ehich originated in China, owing to Mao Zedong Thought and Marxist ideology. However, Confucianism is not a religion, no matter how the western world characterizes it. Internally, Confucius has always been treated as a philosopher. Under Chairman Mao and the early communist, Confucian thought fell out of favor because of its link to feudal China. Recently, Confucian thought has seen a revival, especially in the area of soft power (Cho & Jeung, 2008; Ding, 2008). Confucius has become a powerful tool in the PRC’s soft power policies. The PRC sponsors *Confucius Institutes* throughout the world at various major universities. At the time of this writing there are well over 100 Confucian Institutions worldwide. These institutes teach Chinese history, culture and the Mandarin language (Li, 2008, Madsen, 2010). With the spread of the Confucius Institutes, the PRC is fostering interest in Chinese culture, and a better understanding of China.

Li Mingjiang examines the overall understanding of soft power among Chinese intellectuals and decision makers, and how that understanding affects China’s international strategy. Li’s work is very useful in that it is an overview of the scholarship of Chinese academics and state policy makers. Li coalesces the works of other scholars to show the restructuring of western interpretations of soft power are the same as what the Chinese Communist Party did in defining modernization. Western style modernization presses the ideas of individualism, materialism and science as the driving mechanism of industrialization. But these driving forces create tension between people and states. The Chinese Communist Party is trying to stave off the individualism that arises out of modernization by reshaping soft power to deal with its own people. Confucian philosophy teaches that a state’s priority should be to the people and that the people should live in harmony with the world. Moderate and liberal members of the Chinese Communist Party are now advocated that these ideas should be reembraced as a guide to dealing with the oncoming post-industrialism of the PRC (2008).

Returning to externalize uses of soft power, the Chinese Communist Party has started propagating ideas of “responsible power,” “peaceful rise and development,” “harmonious world,” and a “good neighbor policy” internationally in an effort to mitigate the fears of its neighbors (Cho & Jeong, 2008). These ideas are very rooted in Confucian ideology, but they also borrow from traditional Chinese religion. There is a concept in Taoism which has been cited in the Chinese Communist Party’s attitude toward non-intervention in foreign state affairs. In Taoism, *wu-wei* is a principle concept. It has been poetically referred to as the “art of doing nothing” (Locke, 2000). More accurately it advocates non-activity and non-intervention in hopes of preserving life and avoiding harm (Ding, 2008). The PRC has exemplified this concept in its international relations. The PRC seeks, are at least it claims to seek, that part of being a good neighbor is not forcing neighboring states to act and/or think a certain way. The Chinese Communist Party has no stated desire to “easternize” the world.

As part of its soft power offensive, the PRC has laid out five principles in its relations with other nations. The PRC seeks peaceful coexistence, mutually beneficial cooperation on the basis of national equality, mutual respect between states, non-interference in internal affairs, and the resolution of conflict through dialogue (Chan, 2004). All of these concepts can be traced back to Confucian thought, with subtle doses of Taoist non-action and Buddhist respect. The way the PRC enacts these policies in its relations with the rest of the world has become part of what is known as the Beijing Consensus.

The Beijing Consensus is not a PRC policy. It was first conceptualized by J Cooper Ramo, managing director and partner at the Beijing office of Kissinger Associates, as a way to describe the PRC’s intended path to modernization without incorporating western political ideology. More importantly though, it lays out how the world has come to interpret the PRC’s ascendancy to modernization without “westernizing.” It also details how Beijing is willing to invest in foreign countries regardless of those countries records on human rights or citizen freedoms (2004). The Beijing Consensus is a powerful tool for PRC soft power. Although the PRC does not actively export its path to modernization as a model for developing countries, many pre-industrial states that are resistant to the neo-liberal, string-laden Washington Consensus model have found it an attractive path to modernization (Li, 2008; Cho & Jeong, 2008; Ding, 2008).

Because of the Chinese Communist Party’s carefully crafted soft-power foreign policy, the Global South has become a prime location for Beijing to extol its “harmonious world” ideals (Ding, 2008). The countries of Central America are parts of the global south where the PRC has lately been applying its soft power. The PRC’s foreign policy in Central America is particularly attractive to the countries of that region because of the ideals behind the Beijing Consensus. Part of the appeal of the Beijing Consensus is it doesn’t come with the morality issues, democratic reforms, and liberalized business policies extolled in American aid packages based on Washington Consensus’ neo-liberal policies which interfere with state autonomy.

However, the PRC is most likely not being completely altruistic in its relations with the countries of the Global South. Instead, it is more likely trying to change the state policies of those countries through the use soft power for the benefit of the PRC. For instance, Central America has the highest concentration of countries that still officially recognize Taiwan. Reunification with Taiwan is a primary goal of the Chinese Communist Party under its “One China” policy. The PRC interactions with Central America are “no-strings-attached” as described by the Beijing Consensus, the Chinese Communist Party has a long term goal to further isolate Taiwan from the rest of the world (Ding, 2008). This has been a point of contention in the PRC’s relations with the countries of Central America. Stronger ties to the countries of Central America could lead those states to change their official diplomatic recognition from Taiwan to the PRC.

Right now, the PRC is using soft power defensively for its own security by trying to cultivate a better image of itself amongst its neighbors and the outside world. Soft power is also being used to dispel outdated concepts perpetuated by western cultures attributed to the authoritarianism and repressiveness of communist and socialist nations. However, the Chinese Communist Party leadership is aware that as it becomes more powerful other states will become more worried about PRC hegemony. It is the Chinese Communist Party’s goal to use soft power to dissuade this fear (Li, 2008) Although the PRC is actively strengthening and modernizing its military, it still has a very limited ability to project that power around the world, especially if its attempt was countered by the US, Europe or Russia. Because of this, it has been much more practical and prudent for the PRC to rely on soft power in international relations (Ding, 2008).

**Chinese Soft Power**

The PRC’s interest in soft power probably resulted from its realization that the use of hard power would be insufficient and unproductive for the PRC to accomplish its goals of becoming a major player on the world stage (Withnow, 2008). This is especially true in light of the PRC having stated that it is employing soft power to lessen the impression that the PRC is a militaristic nation (Li, 2008). The PRC has distinct advantages in soft power that other countries may lack. China has the perhaps the oldest, continuing, intact cultural heritage of any nation in the world. In creating a base for soft power, culture is very important. The stronger and longer lasting a culture is the more likely other cultures and people will be attracted to it (Huang and Ding, 2007). Chinese around the world proudly claim to be part of a 5,000 year old cultural history which has remained essentially intact, at least conceptually. The PRC is now making overtures that China is not so much a nation/state as a civilization/state (Jacques, 2009:13). Nations come and go, but civilizations endure. China has the rare benefit of both being a continuing civilization, and a much adored ancient civilization.

The 16th CCP congress in 2002 pointed out that in today’s world, a nation’s culture is intertwined with the economics and politics of a nation. Culture cannot be separated out. PRC President Hu Jintao reiterated this idea again at the 17th party conference in 2007. Additionally, he stressed the need for the PRC to continue building its soft power for both internal stability and international competitiveness (LI, 2008). For the future, soft power will be the operational frame work that the PRC employees in its international relations. Soft power is also being readily used by the PRC in pursuit of a harmonious world and in creating good neighbors.

The PRC has been actively exporting its culture around the world as part of its soft power initiative. It has built over 200 Confucius Institutes around the world as a way of introducing people to Chinese culture, other than the local Chinese restaurant (Luehrmann, 2009). The Confucius Institutes have a broader purpose than just exposing foreign peoples to the culture of China. They also present a kinder, less militarist PRC. Although vast majority of these institutes are on foreign college campuses, the Chinese Communist Party still controls the curriculum. This allows the Chinese Communist Party to shape the message of the Institutes and present the Chinese Communist Party’s own perspective on what it is to be Chinese (Gill & Huang, 2006). Additionally, some of China’s leaders see the traditional religions (Taoism, and Buddhism) as ways to promote Chinese culture to a global audience. These religions are incorporated into the curriculum of the Institutes, but they are taught as part of Chinese culture and not so much as religions. Chinese religious history as soft power is taken seriously by Chinese leaders. (Kuhn, 2010:360). Eastern religions appeal to peoples of the West and the Global South as philosophical alternatives to Judeo-Christian-Islamic religions.

**Chinese Military power**

The PRC is very limited in projecting its hard power around the world, but the PRC can project economic and soft power globally. Until recently though, it could not compete with the US or the European Union in economic projection , but with the Great Recession of 2008 the US’ ability to project economic power globally has seemingly been curtailed (Kay 2012:89). Often, the PRC is viewed as a military threat because of its large army and nuclear capability. The PRC has always maintained a low number of intercontinental nuclear missiles, mostly as a deterrent against western and Soviet/Russian nuclear proliferation. The PRC does maintain a sizable number of short to medium range nuclear weaponry that could be employed against Taiwan. The PRC has made overtures that it will produce more warheads and missiles as part of its defense modernization (Kay, 2012: 110).

The world’s view of the PRC being a dangerous military threat was foster by Chairman Mao Zedong. It was important for Mao to project military strength with a threatening Soviet Union on one side and anti-communist, US-backed alliances on the other. Additionally, Moa legitimated his regime through military might. After the communist came to power in 1949, Chairman Mao and the communist employed a rule by the sword method of legitimacy. There is a common misconception in the West that the People’s Liberation Army has been almost a co-ruler of the PRC. Although this may have been true throughout the early years of the PRC, it has not been the case since the 1970s. Throughout Mao’s chairmanship, the military was used to basically run the infrastructure of the PRC. Initially, Mao tried to create strong institutions to manage the PRC’s internal structure, but Mao laid those institutions to waste during the Great Leap Forward and the Cultural Revolution. During these periods Mao relied on the army to keep order in the state and to “keep the trains running” (Grasso et. al, 2009: 190-202). From the end of the Great Leap Forward to the last days of the Cultural Revolution, the People’s Liberation Army’s power was second only to Mao’s. However, it was during the Cultural Revolution that the seeds for the eventual fall from power of the People’s Liberations Army were sown. It is important to understand that the controlling authority of the military was not naturally given away, nor was it forcibly put down. Instead, the military was politically managed by Mao, then later by the defacto leader of the PRC Deng Xiaoping, and then by Deng’s hand selected successor President Jiang Zemin. All three of these leaders seized moments of opportunity to keep the military in check.

The military had always been very loyal to Mao, but because Mao was busy trying to maintain his position of power and rule the PRC with near dictatorial power, he needed a trusted hand to control the very large and almost all powerful military. Mao entrusted Marshal Lin Biao with the powerful position of Vice Chairman of the Communist Party (1964-1971) and head of the People’s Liberation Army. Lin had been a confident of Mao’s since the Communist Revolution and had steadily risen through the Chinese Communist Party. Lin also controlled the Red Guard militia force which was the central actor in the Cultural Revolution. During the Cultural Revolution the people were not only kept in line by the military, they also had to survive the whims of the radically pro-Maoist vigilante forces of the Red Guard. As head of both of these PRC institutions, Lin became very powerful. Mao moved to put Lin’s power in check by issuing public and private critiques of Lin. Most scholars agree that by 1971, Lin was ready to attempt a coup d’état, but Lin panicked after he lost the tacit support of the Soviet Union, and it became obvious that Mao was making moves to thwart the coup. Lin escaped by plane to Mongolia, but died when the plane was destroyed in a “landing accident.” Lin’s power base in the military consisted of a large number of senior officer who were mostly removed from their positions of power after Lin fled (Grasso et al, 2009: 230-234).

When Mao died in 1976, Deng Xiaoping began to position himself as the eventual successor. The weakness of the military hierarchy from the fallout over Lin allowed Deng to put the modernization of the military, one of his and Mao’s “Four Modernizations,” on the back burner and instead focus on the economy. As far as control of the Chinese people, the military still existed and was ever-present throughout the PRC, but it did not have the infrastructure or elites anymore to pose a threat to Deng, the Chinese Communist Party, or the world. The after-effects of the Cultural Revolution kept the populace subjugated long enough for Deng’s economic reforms to take shape without having to use mass military mobilization. As soon as the economy started to improve, order was fairly easy to maintain (Vogel, 2011:173). Deng’s concentration on the economy, which helped his regime achieve legitimacy through the power of the wallet instead of the sword, caused the military to become even less powerful. Throughout the late 1980s, the People’s Liberation Army had to invest in many for-profit businesses as a way to offset a continued decline in military funding, supplementing the People’s Liberation Army’s budget by as much as a third. The military proved to be very adept at business. By the time president Jiang assumed power in 1992 the People’s Liberation Army was poised to become a major player in the PRC economy as a financial, not military, force. This situation presented another opportunity to reign in the military before it became too powerful (Vogel, 2011:647).

During the military’s foray into the business world of the PRC the senior officers of the military amassed small fortunes and power. As Deng readied to retire from public life, his goal was to turn control of the PRC over to Jiang. One problem standing in the way of a smooth transfer of power was the growing economic power of the military. Shortly after assuming the presidency of the PRC, Jiang instituted business reforms for People’s Liberation Army that shut down as many as 5,000 businesses operated by the military and managed by junior officers. Jiang also instituted changes in the military to restore discipline and morale, both of which had fallen off as the military became more involved in business ventures. Jiang’s reforms put the military under tighter Chinese Communist Party control (Vogel, 2011:623). Jiang’s reforms created a much more subservient military (Grasso 2009:246-247). Jiang instituted even more successful economic reforms that brought increased wealth to the PRC and its citizens which further strengthened the economic legitimacy of the Chinese Communist Party regime. This further reduced the need for the authoritative legitimacy over the people of China backed by a strong military. Following Deng, Jiang continued on concentrating on the modernization of the PRC and creating economic viability at the expense of military modernization.

The People’s Liberation Army is just now starting to be modernized. However, that modernization is supposedly being tailored to meet two specific objectives. The Chinese Communist Party is concerned with modernizing the People’s Liberation Army to have a modern military that is reflective of the world power the PRC has become, and a military capable of retaking the island of Taiwan (Shambaugh, 2005). The PRC military is limited on being able to project its strength beyond its borders. The PRC’s air and ground forces are far larger than Taiwan’s. However, the Chinese Navy still lags behind Taiwan’s in capability, but with the addition of a new carrier group, it will not lag behind for long. China’s Military forces are also rapidly becoming more technologically advances. However, Taiwan’s military forces are better trained (Kay, 2012:139).

**The Beijing Consensus**

One of the more powerful examples of the PRC’s soft power is one the Chinese Communist Party most likely never intended or expected to happen. Many countries in the Global South, including those in Central America, are starting to be attracted to a modernization path known as the Beijing Consensus (Huang & Ding, 2007). The Beijing Consensus, also known as the China Model, stands in contrast to the western model known as the Washington Consensus. The Washington Consensus places heavy demands for democratic reforms and neo-liberalism from countries seeking aid from the West. The Washington Consensus tends to measure success in economic terms (Chen & Goodman, 2012), whereas instead of pure Gross Domestic Product the Beijing Consensus model measure quality of life and equality as importantly as economic success. It also measures a nation’s level of self-determination in its actions on the world stage. The Beijing Consensus model takes into account the level of innovation a nation employs in its own development (Huang & Ding, 2007). The Beijing Consensus is about more than pure economics. It is also about the happiness of the citizens, non-interference in sovereign state politics and policy, nor upsetting the regional balance of power. The Beijing Consensus does not seek to create a single hegemony, but instead strives to create a multi-polar world (Ramo, 2004). To be fair, the Washington Consensus model also incorporates many of the same aspects of the Beijing Consensus model, but over time many countries have come to view the Washington Consensus negatively for what those nations fell are the models shortcomings and imperialistic conditions.

The Washington Consensus is generally applied to western forms of economic development for nations of the Global South. It is aid and foreign direct investment made by western nations to developing nations that is almost always laden with conditions for economic reform, democratic and social reforms, and sometimes constraints that place limits on international trade. The Washington Consensus presents unilateral policies that are supposed to be for the benefit of the world community, but are often viewed by state actors and scholars as policies purely intended to protect US interest (Ramo, 2004). Many countries with a desire to modernize which have become disenchanted with the Washington Consensus have shown interest in the PRC’s modernization experience (Huang & Ding, 2007).

The Beijing Consensus is not a planned or developed concept forwarded by think tanks in the PRC. Instead it is a concept that developed externally by other countries that have viewed the success of the PRC by following a different path than the Washington Consensus model which has been extolled around the world since the 1950s (Ramo, 2004). Many Latin American countries see the Washington Consensus as failing to assist them with modernization. The Beijing Consensus has become more attractive because it creates rapid economic growth while still allowing the ruling regime to maintain political control over the populace (Withnow, 2008). Many political regimes around the world do not want to adapt to the conditions which often accompany western aid. These regimes seek investment without judgment or conditions. The PRC is more concerned with national stability than regime change when it comes to economic aid or, more often, foreign direct investment.

Although it appears the Chinese Communist Party never intended for its path to modernization to become a blueprint for the rest of the world it has now embraced the Beijing Consensus model as another soft power tool in its international tool chest. The PRC uses its own success as example in its soft power negotiations with other countries. The PRC leads by example and not intimidation (Huang & Ding, 2007). Couple that with the PRC’s non-judgmental foreign direct investment, and it is easy to see why countries that have had to work under the yoke of US militarism and moralism are now cleaving to the PRC way (Chen & Goodman, 2011). The Chinese Communist Party genuinely appears to want other countries to succeed in economic and trade matters, even if those successes decrease the PRC’s own economic prowess. As part of its Harmonious World foreign relations platform, the Chinese Communist Party envisions a leveling off and balancing by the economically powerful countries of the world as other countries are given the opportunity to advance (Huang & Ding, 2007).

The Beijing Consensus lacks the drive for a global hegemon, and instead envisions regional hegemonies which have a duty to assist other nations in the region to also attain industrialization and modernization. The Beijing Consensus and the Chinese Communist Party’s plan for a harmonious world appear to comply with Deng’s socialist model in that those that do well first have a moral responsibility to help others who haven’t (Vogel, 2011:672). Many countries in the developing world have bristled at the conditions that are attached to western foreign aid. The PRC does not disperse nearly as much direct foreign aid as the West does, but it does make Foreign Direct Investment in pre-industrial or industrializing countries. The PRC created its own modernization by relying heavily on Foreign Direct Investment. Although the Beijing Consensus may be an attractive form of soft power to authoritarian or semi-authoritarian, it does not endear the PRC to western democracies (Zhao, 2010).

**Central America and the People’s Republic of China**

One of the key points of the PRC’s soft power initiatives is formal diplomatic recognition of one state by another. Since the Chinese Communist came to power in 1949, there have technically been two Chinese nations, the People’s Republic of China on the Mainland and the Republic of China on the island of Taiwan. Both have their own separate governments, and those governments have both claimed over the last 60 years to be the only legitimate regime of China. How a government is legitimated on the world stage is through official diplomatic recognition by the governments of other nation/states. It is recognition of sovereignty as set out in the Montevideo Convention of 1933. When a state is legitimated by recognition it can participate in international conventions and agreements. Without legitimacy, a state runs the risk of becoming an international pariah unable to trade or deal equitably with other nation/states. After the revolution, the communist took over Mainland China and the Guómíndǎng Nationalist had to continue their Nationalist government on the island of Taiwan. Since that time both have been officially recognized by the other nations of the world. However, because both claimed to be the one true legitimate government of China, foreign states had to diplomatically recognize either one of the other, but never both at the same time. At present, 169 nation/states recognize the PRC as the one China, while only 23 nation/states still recognize the regime on Taiwan as the legitimate ruler of China. Out of those 23 nations, six are in Central America [See map] (Rich, 2009).

The PRC has replaced the European Union and Japan as the US’ chief trade rival in Latin America (Russell 2100:123). PRC exports to Latin America are almost all manufactured goods, while PRC imports from Latin America are almost all raw materials or food (Arnson & Davidow, 2011:3). As interested as the PRC is in the markets and materials of Central America, its main priority in the region may be to further isolate Taiwan and prevent any chance of Taiwanese independence (Ding, 2008). The PRC has joined in mutual ventures with governments and corporation throughout Latin America to increase the level of trade (Mendoza, 2011:20). The PRC is currently the world’s top consumer of aluminum, copper, lead, nickel, tin, zinc and coal. These material needs are just one of the many factors which have encouraged the PRC to improve its trade relations with Latin America as a whole and with Central America specifically. The trade level between the PRC and Central America are examples of hard power, but as those levels increase it will bring the two cultures closer together thus increase soft power exchanges. The PRC’s growing influence is appreciated by many countries in Latin America because it is almost always condition free. The PRC trades with countries regardless of their human rights histories, political regime or environmental standards (Blanchard, 2008). The US hegemony is declining in Central America partly because of the conditions associated with the Washington Consensus. The PRC’s progress in trade relations, use of soft power, and the attractiveness of the Beijing Consensus are part of the reasons Central America is starting to lean away from the US (Russell 2011:122).

Countries in Central America which officially recognize Taiwan (Belize, Honduras, Nicaragua, El Salvador, Panama and Guatemala [see map]) also conduct trade with the PRC. These countries saw increases in their levels of trade from 1995 to 2005 with the PRC. Except for Costa Rica (which still recognized Taiwan in 1995-2005), the trade increases with the countries that still recognize Taiwan were less than 10%. Many other countries in Latin America that maintained official diplomatic relations with the PRC saw double digit percentage trade increases during the same period. Costa Rica’s increase in trade from 1995 to 2005 was more than 20%. It was the only Central American country without official diplomatic relations with the PRC that saw a trade increase over 10% (Jenkins, Peters & Moreira, 2007). Costa Rica officially recognized the PRC in 2007 and started a mutual free trade agreement with the PRC in 2011 (Ministry of Commerce China, 4/7/2012). The significant increase in trade between the PRC and Costa Rica most likely contribute greatly to Costa Rica’s decision to switch recognition.

[insert table 1 about here]

The PRC can be viewed as an economic ally of Central America, but it can also be viewed as an economic threat to the countries of Central America. There is a fear that as much as the PRC can be a partner in modernization, it can also be a competitor in the world’s market, especially for the U.S. market (Jenkins, Peters & Moreira, 2007). However, Central America’s geographic closeness to the US markets is one of the reasons it is attractive as a trading partner to the PRC. What Central America loses to the PRC in trade with the US and Canada, it may offset with increases in trade to the PRC. Also, because Central America is behind the rest of Latin America on the path to industrialization, much of its exports are in raw materials and food stuff. These are both resources for which the PRC is becoming increasingly hungry. Unfortunately for Central America, increases in the trade of raw materials are not directly beneficial to their industrialization desires. The PRC’s initial interest in Central America may have been specifically to reduce Taiwan’s status as an independent nation. Now, as the PRC has become more resource hungry, those relations have taken on a new parameter, but the One-China goal is still of major importance to the Chinese Communist Party (Sepulveda, 2008). Throughout the 2000s, Taiwan negotiated trade agreements with all the countries of Central America except Mexico, Costa Rica and Belize (Erickson & Chen, 2007). Taiwan’s only remaining free trade agreements are almost all with the countries in Central America: El Salvador, Guatemala, Honduras, Nicaragua and Panama; and somewhat interestingly, the PRC (Ministry of Economic Affairs R.O.C., 4/7/2012). The PRC’s soft power initiatives, coupled with their economic trade, aimed at Central America have weakened Taiwan’s power in the region. Some of the positive benefits of the PRC’s charm offensive in the area can be seen by closer ties between the PRC and Panama and Nicaragua (Kurlantzick, 2007:142; Rogers, 1/14/2011).

As the PRC rapidly industrialized throughout the 1980s and 1990s it quickly became flush with cash. Taiwan had modernized earlier than the PRC which brought wealth to the island. Taiwan was not above buying the affection and allegiance of countries in Central America, but starting in the late 1980s the PRC could simply outspend Taiwan towards buying friendship. The PRC has loaned more than $75 billion to Latin America since 2005. Some pundits feel these loans are simple “wallet diplomacy” by the Chinese Communist Party (Catholic Online, 2/16/2012), and they may well be, but Taiwan also used its wealth to influence the countries of Central America. Both Taiwan and the PRC condemn wallet diplomacy, but each still practices it, and each has a long history of employing the practice to gain or maintain formal recognition (Rich, 2009). After Costa Rica switched its recognition to the PRC in 2007, Taiwan increased its aid package to Nicaragua to prevent it also switching its recognition status as well (Rich, 2009).

The PRC’s best relationship in Central America is with Mexico (Jacques, 2009:188). Mexico established diplomatic relations with the PRC in 1972. In the mid-1970s, when the PRC started to be more proactive in international relations, the Chinese Communist Party sent scholars and junior state officials to Mexico to learn about Latin America. Those specialists are now in charge of the PRC’s strategy toward the region (Arnson & Davidow, 2010). Mexico is the PRC’s largest trading partner in Central America (Central Government, 2/18/2012). This partnership and the level of trade are highly influenced to Mexico’s close proximity to the US. Initially, Mexico and the PRC had a good relationship, but that relationship began to wane in the 1980s as the PRC became a competitor against Mexico in manufacturing goods for the U.S. market. However, in 1994, the North American Free Trade Agreement (NAFTA) was ratified making it easier for goods to flow across the Mexican-U.S. border. This rejuvenated Mexico’s relationship with the PRC as it became cheaper to ship goods into Mexico and then transport those goods into the U.S. and Canada by land than to ship them directly into the northern ports. The majority of trade, though, is one sided in the PRC’s favor. Mexico’s manufacturing sector is still suffering because of PRC manufacturing, but Mexico is reaping the benefits its close proximity to the North American markets and the low labor cost of its ports (Dumbaugh & Sullivan, 2005; Arnson & Davidow, 2011).

The PRC’s soft power initiatives with Mexico, as seen in the high number of Confucian Institutes in Mexico, seem to be having a positive effect. A BBC poll found that a plurality of Mexicans are in favor of the PRC’s growing influence in the world even though the PRC’s industrialization has slowed Mexico’s manufacturing sector (Huang & Deng, 2007). Some scholars have suggested that the PRC is using its strong relationship with Mexico to aid it in gaining acceptance by the other nations in Central America (Erikson and Chen, 2007). Currently in Central America only Mexico has any Confucius Institutes. However, it does have five of them which are as many as Brazil (the PRC’s largest trading partner in Latin America), Argentina and Chili have combined (University of Nebraska, 2012).

After Mexico, the PRC next strongest relationship in Central America is with Costa Rica. Recently, Costa Rica and the PRC have signed a free trade agreement that is mutually beneficial to both countries (Ministry of Commerce China, 4/7/2012). Following Costa Rica, the PRC has strengthened relations with both Panama and Nicaragua. The PRC is the second largest user of the Panama Canal. Panama has been attempting to attract more PRC business to its nation and even has development offices for that purpose (People Daily, 4/13/2010). The PRC and Chinese construction companies are also aiding the government of Panama in the expansion of the Panama Canal. A major shipping company based in Hong Kong, Hutchinson-Whampoa, has a 50 year operational lease on some of the port facilities along the Canal. The business of shipping the PRC’s goods through the canal have brought Panama and the PRC closer together (Erikson & Chen, 2007). If Panama switches it’s recognition to the PRC it could have a mitigating effect on the other nations of Central America, because Panama is the most important nation in the region that still maintains official diplomatic relations with Taiwan (Kurlantzick, 2007).

President Daniel Ortega of Nicaragua, leader of the socialist Sandinista party, is seeking to formalize relations with the PRC, but still officially recognizes Taiwan. Nicaragua has been inviting PRC businesses to sell the wares in the country, while state trade agencies are trying to sell Nicaraguan agricultural products to the PRC. The Nica-China Friendship Association was founded by President Daniel Ortega’s top economic advisor to stimulate Sino-Nicaraguan trade (Rogers, 1/14/2011). Organizations such as the Nica-China Friendship Association are created to foster the hard power of trade, but these organization foster soft power friendship building as well. In 1985, when Ortega first came to power, he broke diplomatic relations with Taiwan and officially recognized the PRC. When Ortega was voted out in 1990, Nicaragua resumed its recognition of Taiwan (Erikson & Chen, 2007). Both Panama and/or Nicaragua might be the next countries to switch their recognition to the PRC based on their levels of interaction with the PRC.

**Toward One-China: Reunification with Taiwan**

The Chinese Communist Party has always maintained that Taiwan is part of China. Much of the PRC’s foreign aid, as opposed to direct foreign investment, is aimed at helping the PRC accomplish two goals. The first goal is to secure the resources that the PRC needs more and more, and the second goal is to further isolate Taiwan (Lum et. al., 2009). In October 1992, President Jiang reported to the National Congress of the Communist Party that there was only one China, but that his government was prepared to talk with the government of Taiwan about reconciliation that was agreeable to both parties. Jiang’s comments lead to the first official meeting between Taiwanese and PRC officials. These meetings took place in April of 1993 and they succeeded in the bringing about the opening two semi-official joint organizations: The Taiwan’s Straits Exchange Foundation and the Association for Relations across the Taiwan Straits (Grasso 2007:260, 263). Both of these organizations serve the soft power goal of the PRC in seeking reunification by building stronger ties between Taiwan and the Mainland. Since then the relationship between Taiwan and the PRC has grown much stronger. The PRC is the only country outside of Central America that maintains a free trade agreement with Taiwan (Ministry of Economic Affairs R.O.C., 4/7/2012). Nearly 40% of Taiwanese trade is with the PRC (Jacques, 2009:305). Even with the election of a pro-independence President Chen Shui-bian in 2000 as Taiwan’s first non- Guómíndǎng president, relations between Taiwan and the PRC have steadily improved. Elections in 2008 returned the Guómíndǎng party to power with the election of Ma Ying-jeou. The Guómíndǎng does not directly advocate for reunification, but is against independence from the mainland. As an example of how touchy a subject independence of Taiwan is, in 2005 the National People’s Congress, the legislative body of the Chinese Communist Party, passed the Anti-Secession Law which approved military action in Taiwan if it was ever to claim independence from the mainland (Huang & Ding, 2007).

Still though, recognition is crucial to Taiwan to keep from being further isolated and eventually swallowed up by the PRC (Rich, 2009). The 23 countries that continue to recognize Taiwan give it some validity on the world stage. Taiwan also participates either directly or as an observer in many international organizations which also adds to its argument of sovereignty. Both recognition and participation in international organizations are diplomatic aspects of soft power. It is the PRC’s hope that the international community will help it in achieving reunification by no longer recognizing Taiwan and refusing it to allow Taiwan to participate in international coalitions (Taiwan Affairs Office of the PRC, 2000). The Chinese Communist Party also seeks to prevent countries from entering into bilateral trade agreements with Taiwan, and encourages its allies to prevent Taiwanese officials from participating in nongovernmental regional forums (Kurlantzick, 2006). Although the PRC has the economic hard power to achieve somewhat achieve these goals, it is instead using international friendships created partially through soft power to accomplish further isolating Taiwan.

The PRC understands the recognition game and plays it well. The PRC was quick to recognize the new states of Eastern Europe after the fall of communism in the late 1980s and early 1990s. The PRC immediately recognized the Baltic States that broke away from the Soviet Union. When the communist regime of the Soviet Union itself fell, China recognized the new Russian state rather quickly (Vogel 2011:658). These actions created good will between the PRC and the newly formed states. The PRC maintains formal diplomatic relations with 169 other nations. In terms of regime legitimacy, all of those countries recognize the Chinese Communist Party in Beijing as the controlling regime of the PRC. Additionally, by not recognizing Taiwan or the regime in Taipei, those 169 state actors are implying that Taiwan is part of greater China (Rich, 2009).

In the late 1970s Deng proposed a “one-country, two-systems” style for the return of Hong Kong to the Mainland. He later proposed that this system would work for Taiwan as well (Kuhn 2010:377). Hong Kong and Macau are both former territorial possessions of European nations, Great Britton and Portugal respectively. These former colonies were ceded to the PRC at the end of the 1990s. Both now operate as special administrative zone with a great deal of autonomy from the PRC. Hong Kong has an independent judiciary and multi-party elections (Hong Kong, 4/01/2012). Macau has its own separate government from the PRC which operates through a mix of liberal democracy and mercantilism (Macau, 4/01/2012). Both Hong Kong and Macau are examples of the willingness of the CCP to make impressive political and social exemptions in order to facilitate their One-China goal.

Starting in 1979, the Chinese Communist Party has pursued the “One-China, two systems” model for peaceful reunification of Taiwan with the Mainland which has become known as the “One-China” principle or goal (Taiwan Affairs Office of the PRC, 2000). The Chinese Communist Party seems willing to make extensive concessions to the Taiwanese people in order to reunify. It is even possible that the Chinese Communist Party would be satisfied with a simple changing of the flags, thus allowing Taiwan to continue for a number of years as is politically and socially. Both Hong Kong and Macau were guaranteed autonomy for a set number of years before they come fully under PRC control. It seems reasonable for a similar compromise to be made with Taiwan, maybe even one much more beneficial to Taiwan. Of course, the fear in all three cases is that the authoritative government of the PRC will eventually reduce or remove the civil liberties and democratic liberalization of all three regions. This is an honest fear, and there is some evidence that it is happening in Hong Kong already (Economist, 2008). However, it is possible the liberalized aspects of Hong Kong and Macau will influence the PRC as a whole. If Taiwan was to reconcile with the PRC and reunify, it could have a positive effect towards liberalization (what the Chinese Communist Party might consider a negative effect) in a unified China.

The Chinese Communist Party is very adamant about the One-China policy. Even though tensions have eased over the last several years, the Chinese Communist Party most likely will never give up its goal of reunification. The military option might be slowly fading away as a rational choice, but the PRC could possibly use economic force to bring about reunification. The Chinese Communist Party will allow business to be conducted with a country that does not officially recognize PRC, but in order for any significant state business to transpire, like free trade agreements, countries have to officially recognize the PRC. Official recognition of the PRC does not mean a country has to suspend doing business with Taiwan either. It merely means that Taiwan can no longer complete treaties or trade negotiations as a state actor (Erikson & Chen, 2007). Reunification would also most likely mean that Taiwan would have to obey the treaties and trade agreements of the PRC, unless a compromise was negotiated for between Taiwan and the PRC where Taiwan could make separate trade agreements.

With the PRC’s economic might, it could easily start putting pressure on Taiwan’s trade partners to economically isolate the island. The Minister of Foreign Affairs of Taiwan has proposed a “diplomatic truce” as a means for Taiwan to co-exist with the PRC. Under this truce, Taiwan would still be able to maintain diplomatic relations with foreign states, without being formally recognized by those states. Also, this unofficial truce would end the unofficial “wallet war” being conducted between the PRC and Taiwan (China Post, 09/10/2008). Taiwan seems to be trying to establish some unofficial rules so it can continue unmolested. The Chinese Communist Party has the upper hand over Taiwan economically, and might even have it militarily through simple attrition. That is, unless of course, the US decides to honor its stated military protection of the island. The Chinese Communist Party could fear that if Taiwan is pushed into a corner economically or militarily, the Taiwanese might view declaring independence as their only option in maintaining their current freedom. Right now though, it appears the Chinese Communist Party is satisfied with the current level of détente over reunification. It is difficult to theorize how long that satisfaction can be maintained.

Even though the Chinese Communist Party appears to have reached an unofficial truce preventing militarily or economically forcing Taiwan to reconcile, it doesn’t mean it has given up on the soft power front. The PRC is reembracing its rich religious history, under the auspices of cultural heritage, in expressing itself both internally and internationally as part of it Harmonious Society initiative. The religions of the PRC are also the religions of Taiwan. There has been increased religious dialogue across the strait of Taiwan for a number of years now. Each side sees the creation of closer religious ties between Taiwan and the PRC as a form of soft power (Brown & Cheng, 2012). The State Agency for Religious Affairs sees the benefit in across strait religious relations and has encourages Buddhist organizations to build bridges with the Buddhist of Taiwan (Sun, 2011). Mainland China is resplendent with Buddhist and Taoist religious pilgrimage sites that lure Taiwanese across the strait. Tourism, even religious tourism, is a good form of soft power. Continued cross-border movements by religious adherents will continue to bring the PRC and Taiwan closer together.

The PRC diplomatic strategy in Central America remains one of its main instruments in achieving its One-China goal and further isolating Taiwan (Dumbaugh & Sullivan, 2005; Sepulveda, 2008). Central America has other aspects that make it attractive to the PRC, but further isolation of Taiwan, thus forcing reconciliation, is seemingly far more important to the PRC than simple trade with Central America. According to the One-China goal, in order for a nation to maintain official diplomatic relations with the PRC that nation cannot recognize Taiwan as a sovereign state (Erikson & Chen, 2007). Taiwanese recognition is mostly the last sticking point preventing more trade between the PRC and Central America. And it is not that big of a sticking point. Panama does not officially recognize the PRC, yet those two nations conduct a large amount of business together. Panama no longer supports Taiwan’s presence in the United Nations, despite official diplomatic relations between the two countries. China has already succeeded in weakening Taiwan’s presence in Central America as recently as 2007 when Costa Rica changed its recognition status (Kurlantzick, 2006). The PRC’s use of wallet diplomacy was measurably effective in Costa Rica (Lum et al., 2009). As the PRC’s trade and Foreign Direct Investment have been rising in Central America, Taiwan’s has been steadily falling off (Cheng, 2006).

 The PRC has several avenues by which to pursue reunification. The military option may be the least practical, but it is an ever present possibility. Economic isolation is also a possibility, but trade between Taiwan and the Mainland is very high. Placing Taiwan under economic hardship would most likely also negatively affect the economy of the PRC. Taiwan and China have grown increasingly interdependent on each other economically (Kay, 2012:144). There is no immediacy to the situation though. The PRC strategic planning owes a lot to the cultural/historical aspects of China. The PRC emphasizes patience and thinking over the long term on matters of international security. In this case long term mean decades instead of merely years (Kay, 2012: 111). One of the benefits of being a 5,000 year old civilization is patience. Even though economic and military options for reunification would be quicker, they would also be messier. Applications of soft power are better served over the long term. It takes longer to create friendships than make enemies. The PRC is winning nations and influencing states, and through the process of soft power it feels that it can reunify with Taiwan eventually.

**Conclusions**

The PRC has become a major force economically. It now wields power and influence that it has not possessed for hundreds of years. Its military might is climbing as well. However, the PRC is employing soft power strategically, maybe like no other sovereign state before it. The PRC has a clear and motivated desire to reunify with Taiwan and is actively working to do so, but apparently with soft power instead of military or economic power. The PRC has already reached an economic level which allows it to dwarf any amount of trade, foreign investment, or aid Taiwan can use to maintain its autonomy. Because of the huge manufacturing base the PRC’s hunger for raw materials appears insatiable (Cheng 2007). With the inclusion of the PRC’s energy need for its population and ever expanding economic machine, there is simple no way Taiwan can compete in a trade war or simple wallet-diplomacy. For the most part, Taiwan is isolated enough politically from the rest of the world that the PRC can be patient about reunifying with Taiwan.

There has been a noticeable weakening in tensions between the PRC and Taiwan. It appears that there is willingness, at least for now, to accept things as they are. For the Chinese Communist Party, it’s possible they are no longer forcing the issue because they see reconciliation now as inevitable (Erikson & Chen, 2007). It is generally assumed that the PRC will allow Taiwan to continue to operate with its own government and policies as long as it does not seek to become independent. It might even be possible that the Chinese Communist Party would allow Taiwan an extensive amount of autonomy, to include its growing liberal democracy, even if it does accept PRC sovereignty (Jacques, 2009: 294). Taiwan might feel that it can continue indefinitely with the level of détente that now exist. The PRC has a number of other issues that require the concerted efforts of the Communist regime, which probably lends itself to the Chinese Communist Party’s acquiescence to the current static relation with Taiwan. At some point though, the Chinese Communist Party is going to return to the issue of reunification. Their return could be expedited by a new democratically elected regime in Taiwan that does not support the status quo. It is possible that actions on either side could exasperate the current friendly relation into something much more dramatic.

In the Chinese Communist Party’s 11th five year plan of 2000 clearly stated the “One-China” goal to reunify Mainland China with Taiwan (CCP White Paper, 2000). The issue of reunification is not a matter of “if” but rather “when.” The democratically elected government of Taiwan has progressively moved closer to agreement with the “One-China” goal (China Post, 09/10/2008). One of the few remaining items of sovereignty that Taiwan can still cling to in maintaining its independence is that of international recognition. The PRC’s application of soft power throughout Central America has made the countries in the region which still support Taiwan pieces on an international chess board. In Central America, Taiwan still holds the majority of pieces. But when the scenario is expanded out to the entire world, Taiwan is severely outmatched. It is possible that those Central American countries which still recognize Taiwan only need a little more encouragement to make the switch. The PRC has been actively providing that encouragement through economic means, but also with a pronounced application of soft power.

This paper has examined how PRC soft power is employed as an effective tool in international relations. The PRC has been very active in seeking to delegitimize Taiwan by luring away those few countries that still officially recognize it. The PRC has had a great deal of success in these efforts as there are only 23 countries left in the world that still maintain official diplomatic ties with Taiwan. The greatest concentrations of countries that do still recognize Taiwan are the countries of Central America. The PRC has used several strategies to further its goals, but soft power appears to be the preferred method of the Chinese Communist Party. Costa Rica has already switched its allegiance, and Mexico did so long ago. Panama and Nicaragua may be the next to go. In Central America, the Beijing Consensus is becoming a more attractive alternative to the Washington Consensus. It remains to be seen if it will remain as appealing if the Chinese Communist Party is unable to transfer from its current economic legitimacy to a normative legitimacy. However, at least for industrialization and eventual modernization, the Beijing Consensus can be a very effective soft power tool on multiple levels. Even though the PRC states that the most it wants to be is a regional hegemon, it seems determined to ascend to that position through a strategic use of soft power.

**References**

Arnson, Cynthia A. and Jeffrey Davidow. 2011 “China, Latin America and the United States: the

 new triangle.” Policy paper for *Woodrow Wilson International Center for Scholars.*

Bandurski, David. 11/12/2009. “Is China’s new communications worldview coming of age?”

 *China Media Project.* <http://cmp.hku/2009/11/12/2926/> accessed 5/4/2012

Blanchard, Jean-Marc F. 2009. "Harmonious world and China's foreign economic policy;

 features, implications and challenges." *Journal of Chinese Political Science.* 12:2.

p 165-192

Brown, Deborah A. and Tun-jen Cheng. 2012. “Religious Relations across the Taiwan Strait:

 Patterns, Alignments and Political Effects” *Orbis*. p. 1-21

Cao, Fangjun. 2009. “Modernization theory and China’s road to modernization.” *Chinese Studies*

 *in History.* 43:1. p 7-16

Catholic Online. 2/16/2012. "Chinese banks have lent $75 billion to Latin Amrica since 2005."

*Catholic Online News Consortium (www.catholic.org).*

CCP White Paper. 2000. "The 11th five year plan: the One-China Principle and the Taiwan

 issue." *The 11th Five Year Plan.* Taiwan Affairs Office & the Information Office of the

 State Council english.gov.cn/official/2005-07/27/content-17613.htm .

(accessed 11/14/2011)

Central Government. 2/18/2012. "Senior Chinese political advisor pledges to further ties with

 Mexico." *The Central People's Government of the People's Republic of China.*

 http://english.gov.cn/ (accessed 2/18/2012)

Chan, Kim-Kwong. 2004. “Accession to the World Trade Organization and State Adaption.” In

 *God and Caesar in China*. Edited by Jason Kindopp and Carol Lee Hamrin. Washington

DC: Brookings Institute Press. p. 58-74

Chen, Jie, Yang Zhong and Jan William Hillard. 1997. "The level and sources of popular support

 for China's current political regime." *Communist and Post-Communist Studies.* 30:1.

p 45-64

Cheng, Joseph Y.S. 2006. "Latin America in China's contemporary foreign policy." *Journal of*

*Contemporary Asia.*36:4. p. 500-528

China Post. 09/10/2008. “Diplomatic Truce’ aims at co-existence with China” *The China Post.*

[www.chinapost.com.tw/taiwan/foreign%20affairs/2008/09/10/173978/Diplomatic-](http://www.chinapost.com.tw/taiwan/foreign%20affairs/2008/09/10/173978/Diplomatic-)

truce.html (accessed 12/4/2011)

Ding, Sheng. 2008. “To build a ‘Harmonious World:’ China’s soft power wielding in the Global

South.” *Journal of Chinese Political Science.* 13:2. p. 193-213

Dumbaugh, Kerry and Mark P. Sullivan. 2005. “China’s growing interest in Latin America.”

Congressional Report RS22119. *Congressional Research Service*. Washington DC

Economist Intelligence Unit. 01/02/2008. “Hong Kong politics: China sets reform table.”

*The Economist.*

Erikson, Daniel P. and Janice Chen. 2007. “China, Taiwan and the battle for Latin America.”

*The Fletcher Forum of World Affairs.* 31:2.

Hong Kong Official Government Website. 4/01/2012. <http://www.gov.hk/en/residents/>

 (Accessed 4/01/2012)

Huang, Yanzhong and Sheng Ding. 2006. “Dragon’s underbelly; an analysis of China’s soft

 power.” *East Asia.* 23:4. p. 22-44

Inglehart, Ronald and Christian Welzel. 2005. *Modernization, Cultural Change and Democracy.*

Cambridge University Press. New York.

Jacques, Martin. 2009. *When China Rules the World: The End of the Western World and the*

 *Birth of a New Global Order.* The Penguin Press, New York.

Jenkins, Rhys, Enrique Dussel Peters and Mauricio Mesquita Moreira. 2007. “The impact of

 China on Latin America and the Caribbean.” *World Development.* 26:2. p. 235-253

Kaplan, Robert D. 2010. “The geography of Chinese Power: how far can Beijing reach on land

 and sea?” *Council on Foreign Affairs.* Essay, May/June.

Kurlantzick, Joshua. 2007. *Charm Offensive: How China’s Soft Power is Transforming the*

 *World.* Yale University Press, New Haven.

Kurlantzick, Joshua. 2006. “China’s Latin leap forward.” *World Policy Journal.* 23:3. p. 33-41

Kuhn, Robert Lawrence. 2010. *How China’s Leaders Think: The Inside Story of China’s Reform*

 *and What it Means for the Future.* John Wiley & Sons, Singapore.

Li, Mingjiang. 2008. “China debates soft power.” *Chinese Journal of International Politics.*

 p 287-308

Lum, Thomas; Hannah Fischer, Julissa Gomez-Granger and Anne Leland. 2009. “China’s

 foreign aid activities in Africa, Latin America and Southeast Asia.” Congressional Report

 R40361. *Congressional Research Service.* Washington DC.

Macau Official Government Website. 4/01/2012. <http://portal.gov.mo/web/guest/>

(accessed 4/01/2012)

Mendoza, Miguel R. 2011. “Inter-American Trade and Investment Relations: The Last Decade.”

*A Decade of Change: Political, Economic and Social Development in Western Hemisphere Affair.* Inter-American Dialogue, Washington DC. September.

Ministry of Commerce China. 4/7/2012.“China Free Trade Network” *Ministry of Commerce of*

 *China.* http://fta.mofcom.gov.cn/english/index.shtml (accessed 4/7/2012)

Ministry of Economic Affairs R.O.C. 4/7/2012.“Trade Relations.” *Ministry of Economic Affairs*

 *for the Republic of China.* <http://www.moea.gov.tw> (accessed 4/7/2012)

Nye, Joseph S. 1990. *Bound to Lead.* Basic Books. New York

Peng, Yuan. 2009. “Modernization theory: from historical misunderstanding to realistic

 development.” *Chinese Studies in History.* 43:1. p. 37-45

People’s Daily. 4/13/2010. “Panama hopes for closer relationship with China.” *People Daily.*

Ramo, Joshua Cooper. 5/11/2004 “The Beijing Consensus.” *The Foreign Policy Center.*

 [www.fpc.org.uk](http://www.fpc.org.uk) (accessed 3/6/2012)

Ratliff, William. 2009. “In search of a balanced relationship: China, Latin America and the

 United States.”  *Asian Politics & Policy.* 1:1. p. 1-30

Rich, Timothy S. 2009. “Status for sale: Taiwan and the competition for diplomatic recognition.”

*Issues & Studies.* 45:4. p. 159-188

Rogers, Tim. 1/14/2011. “Nicaragua seeks economic relations with China.” *Ticotimes.net*

Russell, Roberto. 2011. “The Development of Inter-American Relations in the Past Decade,” *A*

 *Decade of Change: Political, Economic and Social Development in Western Hemisphere*

 *Affair.* Inter-American Dialogue, Washington DC, September

Sepulveda G, Isidro. 2008. “Relations between China and Latin America: is the relationship

 beneficial for Latin America?” Unpublished paper, UCLA Department of History.

Sun, Yanfei. 2011. “The Chinese Buddhist Ecology in post-Mao China: contours, types, and

 dynamics. *Social Compass.* 58. p. 498-510

University of Nebraska Confucius Institute. <http://confuciusinstitute.unl.edu/institutes.shtml>

(accessed 3/22/2012)

Vogal, Ezra F. 2011. *Deng Xiaoping and the Transformation of China.* Belknap Press of Harvard

 University Press, Cambridge.

Withnow, Joel. 2008. “The concept of soft power in China’s Strategic Discourse.” *Issues &*

 *Studies.* 44:2. p. 1-28

Taiwan Affairs Office and the Information Office of the State Council. 2000. *The 11th Five Year*

 *Plan: The One-China Principle and the Taiwan Issue.* White Paper. February.

Xi, Wang. 1997. “Approaches to the Study of modern Chinese history: external verses internal

causations.” *China’s Quest for Modernization: A historical perspective.* Frederic

Wakeman Jr. and Wang Xi ed., Institute of East Asian Studies, Berkeley.

Zhao, Suisheng. 2010. “The China model: can it replace the Western model of modernization.”

 *Journal of Contemporary China.* 19:65. p. 419-436

Zheng, Yongnian and Sow Keat Tok. 2007. “Harmonious Society’ and ‘Harmonious World:’

 China’s policy discourse under Hu Jintao.” Briefing series issue 26 *The University of*

*Nottingham China Policy Institute.*