THE UNIVERSITY *of* EDINBURGH

This thesis has been submitted in fulfilment of the requirements for a postgraduate degree (e. g. PhD, MPhil, DClinPsychol) at the University of Edinburgh. Please note the following terms and conditions of use:

- This work is protected by copyright and other intellectual property rights, which are retained by the thesis author, unless otherwise stated.
- A copy can be downloaded for personal non-commercial research or study, without prior permission or charge.
- This thesis cannot be reproduced or quoted extensively from without first obtaining permission in writing from the author.
- The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the author.
- When referring to this work, full bibliographic details including the author, title, awarding institution and date of the thesis must be given.

An analysis on foreign policy change from the domestic perspective with the case of China

Tong Zhou

East Asian Studies (PhD) Program
The University of Edinburgh
2023

Abstract

Due to its increasing importance in international politics, the evolving foreign policies of China have attracted the attention from scholars and policymakers globally. The objective of this study is to investigate the changes in China's foreign policy since 2013 and examine the critical domestic factors that have contributed to this shift. The majority of the existing literature belongs to the neo-realism (e.g., Friedberg, 2015; Mearsheimer, 2006; Song, 2013; Yan, 2014), neoliberalism (e.g., Foot, 2017; Ikenberry, 2017; Kastner, Pearson and Rector, 2016), and constructivism schools (e.g., Legro, 2007; Qin, 2014; Uemura, 2015), and thus additional research from the domestic perspective is needed to better understand the impact of domestic factors on China's foreign policy change. Moreover, more research on foreign policy change is needed for the current International Relations and Foreign Policy Analysis fields (Alden and Aran, 2017; Blavoukos and Bourantonis, 2017). This thesis adopts a qualitative research approach, mainly utilising case studies and document analysis. It also uses rational theory and constructivism theory to respectively analyse the One Belt and One Road Initiative case, the South China Sea case, and the Sino-US trade war case. By examining China's foreign policy shift in light of its domestic context, this investigation could contribute to the research on China's foreign policy, the influence of China's rise on international politics, and foreign policy change.

Keywords: *Chinese Foreign policy, Domestic Politics, Foreign Policy Change*

Lay Summary

Although there are more and more analyses of Chinese foreign policy, including Chinese foreign policy change, the current field of Chinese studies still has some research gaps, and more investigations are needed. For instance, many existing studies on Chinese foreign policy are either rely on macro-level theories or too empirical, and there are not too many investigations that adopt the foreign policy analysis theories that have developed since the 2000s. This investigation contributes to these gaps by adopting the narrative theory and poliheuristic theory and empirically examining China's foreign policy since 2013. The context of this research is the increasing power and influence of China, which also makes it valuable to policymakers. This study specifically focuses on the influence of China's core national interests and argues that the change in the perception of these interests and their relationship has contributed to China's foreign policy goal change since 2013. This research argues that from the Chinese leaders' perspective, Chinese foreign policy change since 2013 is a rational choice for regime security consideration.

List of Abbreviations

Asian Infrastructure Investment Bank (AIIB)

Association of Southeast Asian Nations (ASEAN)

Chinese Communist Party (CCP)

China-Pakistan Economic Corridor (CPEC)

Declaration on the Conduct of Parties in the South China Sea (DOC)

Foreign Policy Analysis (FPA)

Free Trade Agreement (FTA)

General Agreement on Tariffs and Trade (GATT)

Gross Domestic Product (GDP)

International Monetary Fund (IMF)

International Relations (IR)

One Belt and One Road (OBOR)

People's Republic of China (PRC)

Private-owned Enterprise (POEs)

Regional Comprehensive Economic Partnership (RCEP)

South China Sea (SCS)

State-owned Assets Supervision and Administration Commission of the State Council (SASAC)

State-owned Enterprise (SOE)

Trans-Pacific Partnership (TPP)

United Nations (UN)

United Nations Convention on the Law of the Sea (UNCLOS)

United States (US)

World Trade Organisation (WTO)

Acknowledgement

I would like to thank my family, supervisors, and friends for their unwavering support. This project would not have been possible without it.

Firstly, I want to say thank you to my family members. I sincerely appreciate my parents' love and support for me when I was stressed, doubting myself, and lonely, especially during the COVID-19 pandemic. My mother always believes in my capabilities, even when I doubt myself, and encourages me when I think of giving up.

I am also sincerely grateful to my supervisors, Youngmi Kim and Daniel Hammond, who have generously given me unconditional guidance, insightful criticism, and valuable advice over the past four and a half years. I want to thank my primary supervisor, Youngmi Kim, for her constant support in my studies and life; and my secondary supervisor, Daniel Hammond, for expressing genuine compassion and patience when I was struggling.

Furthermore, in alphabetical order, I want to express my appreciation to my friends: Arianna Dell'Oro, Estibaliz Saenz Herce, Hana Jee, Ji-Eun Ahn, Qianzhi Shan, Ruolan Gan, and Ye-Jin Shin. Your friendship is priceless, and I am grateful for everything you have done for me. Thank you for accompanying me and listening to my moaning all the time.

Last but not least, I would like to thank all of the people who provided valuable criticism of my work on various occasions, for these ideas were helpful in refining this thesis.

Table of Content

Chapter 1 Introduction 1

1.1 Theoretical foundation: concept, literature, epistemology and theoretical framework 3

1.2 Methodology 19

1.3 Main findings 22

1.4 Organisation of this research 26

1.5 Conclusion 30

Chapter 2 Literature Review 38

2.1 International system-level theories of foreign policy change 39

2.1.1 Neo-realist theories of foreign policy change 39

2.1.2 Neo-liberalist theories of foreign policy change 41

2.1.3 Constructivist theories of foreign policy change 43

2.1.4 Summary 50

2.2 State-level theories of foreign policy change 53

2.2.1 Rational choice theories 54

2.2.2 Bureaucratic politics theories 56

2.2.3 Sequential decision making 57

2.2.4 Prospect Theory 59

2.2.5 FPA theories of domestic factors in foreign policy change 60

2.2.6 Summary 62

2.3 IR and FPA explanations of China's foreign policy change 63

2.3.1 IR theories on China's foreign policy change 63

2.3.2 FPA theories of China's foreign policy change 68

2.3.3 Summary 70

2.4 Domestic factors in China's foreign policy 71

2.4.1 China's foreign policy decision making in a nutshell 71

2.4.2 Influential domestic factors in China's foreign policy change 80

2.5 Conclusion 86

Chapter 3 Research Design 89

3.1 Theoretical framework 91
3.2 Methodology 99
3.3 Research methods 102
3.3.1 Case selection 103
3.3.2 Data collection 108
3.3.3 Data analysis 113
3.4 Evaluation of the research design 121
3.4.1 Assessment of data quality 122
3.4.2 Assessment of the data analysis methods 123
3.5 Conclusion 127
Chapter 4 China's New Grand Strategy? 129
4.1 China's grand strategy from Hu Jintao to Xi Jinping 132
4.2 Main domestic sources of China's foreign policy change under Xi 146
4.3 Conclusion 156
Chapter 5 The Motivations behind the One Belt and One Road Initiative 161
5.1 Introduction 161
5.2 Unveiling the OBOR initiative 163
5.3 The decision making procedure of the OBOR initiative 171
5.3.1 The first stage: Challenges related to domestic politics and the regime 173
5.3.2 The second stage: Rational calculation of costs and benefits 180
5.4 Conclusion 189
Chapter 6 Changes to China's South China Sea Foreign Policy 192
6.1 Introduction to the SCS and China's policy change in the SCS 192
6.2 Different types of Chinese nationalism and nationalistic narratives 196
6.3 An analysis of shifts in the official narratives in the *People's Daily* reports on the SCS on the SCS 206
6.4 The influence of nationalism on China's foreign policy in the SCS 210
6.5 Conclusion 219

Chapter 7 How Economic Development Interests Affected the Change of Chinese Foreign Policy on State-owned Enterprises 222
7.1 Background to the Sino-US trade war 224
7.2 WTO entry and Chinese SOE reforms 227
7.3 Sino–US trade war and reform of Chinese SOEs 234
7.3.1 Reasons why liberalisation of SOEs became less attractive 235
7.3.2 Balancing the costs and benefits of the reform 248
7.4 Conclusion 255
Chapter 8 Conclusion 260
References 272
Appendix 332

Chapter 1 Introduction

The overarching aim of this thesis is to investigate China's foreign policy changes between 2013 and 2020 from a domestic perspective. China is currently seen as a significant economic power rather than a backward and underdeveloped country. Over the past three decades, China has shifted from being a passive actor to a proactive participant in international affairs, and as a result, the rest of the world has changed its perceptions of China. Many scholars, such as Economy (2018), argue that Chinese foreign policy has gradually departed from the previous diplomatic principle of *taoguang yanghui* (韬光养晦, "hiding our capacities and biding our time"), which was a summary of the "24-Character Strategy" first proposed in 1990. According to then-State Councillor Dai Bingguo (2010), "hiding our capacities and biding our time" means that China should not take too much of a leading role in international affairs or strive for hegemony but instead maintain a cooperative and friendly relationship with neighbouring countries and focus on its peaceful development. When Xi Jinping acceded to the top leadership position, he began implementing a different policy known as *fenfa youwei* (奋发有为, "striving for achievement;" Mardell, 2017). Xi Jinping became general secretary of the Central Committee of the Chinese Communist Party (CCP) and the chairman of the Central Military Commission on 15 November, 2012, and in March 2013, he was elected president of the People's Republic of China (PRC) by the National People's Congress.

According to Doshi (2019) and Goldstein (2020), China has followed a consistent diplomatic strategy, which focuses on enhancing its power and waiting for an opportune time to reshape the world. Thus, they believe that although China's foreign policy has become more assertive, it has not changed in nature, and that change is a part of the grand strategy. In contrast, some scholars, such as Christensen (2011), Yahuda (2013), and Friedberg (2015), claim that Beijing behaved differently, which alienated its neighbours and aroused suspicion abroad. Despite their differing interpretations, most scholars agree that China's diplomatic behaviour has changed, with disagreements mainly centred on when this change began and its extent. Chinese new foreign policy includes increased assertiveness in the South China Sea (SCS), the construction of new institutions such as the Asian Infrastructure Investment Bank, the launch of the One Belt and One Road initiative (OBOR, in Chinese *yidai yilu,* 一带一路), the promotion of the concept of the "China Dream" (*zhong guo meng,* 中国梦), and the assertive

stance in the Sino-United States (US) trade war. Current research has identified numerous domestic factors that have been influential in the formation of China's foreign policy, including the foreign policy making structure, the bureaucratic system, economic development and social changes, the personalities of principal leaders, the influence of the People's Liberation Army, media, public opinion, and ideational influences such as historical issues, collective memory, nationalism, and culture (e.g., Abb, 2015; Dian, 2017; He and Feng, 2013; Lai, 2010; Qin, 2014; Swaine and Henry, 1995; Wang, 2017; Zhao, 2013).

Comparing China's foreign policy before and after 2012/2013, this thesis sets out to identify the critical factors in China's shifts in foreign policy and investigate how these factors have affected foreign policy shifts since 2012/2013. The study selects 2012/2013 as the starting point because of the major leadership change that occurred and the clear differences in both the domestic and international environment compared to that in 2002/2003. It focuses on three case studies: the SCS case, the OBOR initiative, and the Sino-US trade war. The study selects 2020 as the ending point because it constitutes the final year of the third case study, marked by the US and China signing Phase One of the Economic and Trade Agreement, which initiated the phased reconciliation between the two countries.

In a context where increased interaction among states has caused the domestic and foreign environments to become more closely intertwined, dominant approaches in international relations (IR) studies are difficult to comprehensively account for the complexity of foreign policy decision making (Hill, 2003). The field of political science generally recognises three levels of analysis: individual, state/domestic, and international (Moravcsik, 1993). IR theories tend to explain international affairs and foreign policies from the perspective of the international system, while foreign policy analysis (FPA) theories tend to assume the state level point of view (ibid). IR is the dominant approach in studies on Chinese foreign policy, and there are three primary schools of IR: realism, liberalism, and constructivism (He and Feng, 2013). Specifically, many of the existing literature on China's foreign policy falls under one of the three schools: neo-realism (e.g., Friedberg, 2015; Mearsheimer, 2006; Song, 2013; Yan, 2014), neoliberalism (e.g., Kastner, Pearson and Rector, 2016; Foot, 2017; Ikenberry, 2017), or constructivism (e.g., Legro, 2007; Qin, 2014; Uemura, 2015). Thus, most existing studies on

China's foreign policy adopt an international-level approach (He and Feng, 2013), neglecting the importance of a state-level approach; meanwhile, FPA research on foreign policy changes is largely insufficient and unsatisfactory (Alden and Aaron, 2017; Blavoukos and Bourantonis, 2017). Therefore, this study aims to analyse China's foreign policy changes with a focus on domestic factors.

This thesis argues, firstly, that while China's foreign policy showed signs of becoming more aggressive during the Hu Jintao era, the key shift in diplomatic strategy occurred post-2012. Meanwhile, numerous domestic factors have contributed to the transformation of China's foreign policy, among which this paper singles out three factors: the basic systems /regime security and issues of nationalism and economy. The influence of the regime is manifest in China's active exclusion of foreign policies deemed detrimental to domestic political stability and the greater attention and resources allocated to policies supportive of regime stability. Nationalism has influenced China's view of the world, resulting in a more assertive stance on territorial disputes to safeguard its interests. Finally, in relation to changing economic conditions, the leadership's changed perception of economic development interests has led to changes in China's foreign economic policy, as seen in its changed stance on the issue of State-owned Enterprises (SOEs) in the Sino-US trade war negotiations.

1.1 Theoretical foundation: concept, literature, epistemology and theoretical framework

This thesis adopts Skocpol's (2015) definition of the state because Skocpol's research concerns the state and social revolutions, and a clear definition that can distinguish the connection and difference between the state and society is crucial for studying the impact of domestic factors on China's foreign policy, especially given that China's form of state organisation differs from that of many Western democratic countries. China's state organisation is closely intertwined with that of the Party. In contrast to the assumption that the interests of the state represent the common interests and general will of society as a whole, the state organisation enjoys autonomy from the control of society or the public (Skocpol, 2015). Social revolutions such as the French Revolution provide obvious examples that the state's interest does not necessarily equal those of the country (ibid). The French

Revolution, which overturned the state organisation of France at that time (ibid), did not mean the end of France but did lead to the death of the French monarchical state organisation (ibid). In other words, a country's security is not the same as the security of its state organisation (ibid). In fact, just as in the case of the French Revolution, a state organisation faces security threats from both internal revolution and external invasion. Nevertheless, this does not imply that the state organisation is independent from domestic society. Moreover, the concept of government is not utilised in this thesis, because a state's organisation can include more institutions than merely the government, such as the ruling party. Thus, "state organisation" is a more precise term. Based on the conceptual definitions of the state proposed by Rousseau (2018), Waltz (1979), and Skocpol (2015), this thesis claims that the state is an organisation formed by the people within the country to protect their security and interests and that the state has its own survival needs once established. States can extract resources from society and use them to create and maintain a set of administrative, police, and military organisations, more or less coordinated by an executive authority (Skocpol, 2015). These organisations "also may contain institutions through which social interests are represented in state policymaking as well as institutions through which nonstate actors are mobilised to participate in policy implementation" (ibid, p. 29). However, states cannot be assumed to automatically transfer common interests or general will into national interests when designing foreign policies.

Foreign policy can be conceptualised as the collective set of activities undertaken by a sovereign state in relation to its external environment. Such activities take place at the interface of internal and external domains because foreign policy is made by an internal government with the aim of responding to the actions of external states (Alden and Aran, 2017). In other words, foreign policy is influenced by both the domestic and international spheres without being exclusively confined to either domain. Hill (2003) defined foreign policy as a set of official behaviours, statements, values, and guided objectives of an independent state in its interactions with other states, non-government international actors, and the international community. This current study defines foreign policy as the sum of boundary activities, values, and objectives that guide a country's actions at the interface between the domestic and international spheres.

According to Hermann (1990), there are four types of foreign policy change: adjustment, program, goal, and international orientation. An alternative definition, with comparable subtypes to Hermann's definition, identifies two main types of foreign policy change: tactical change and strategic change (Alden and Aran, 2017). Tactical change encompasses nonsignificant change, which can be divided into the two subtypes of adjustment and program changes (ibid). Adjustment changes are modest changes in a state's foreign policy, such as shifts in the level of effort or scope of a policy (Hermann, 1990), which are merely quantitative shifts; program changes involve qualitative changes, such as the introduction of new instruments of statecraft (ibid). Instead, strategic change involves changes in goals and international reorientation. It marks a fundamental foreign policy change generated by a change of foreign policy goals or by changes in a state's position in the global system (Alden and Aran, 2017). Goal change occurs when a state abandons an objective it had previously pursued or substitutes one goal for another, while international orientation change involves an all-encompassing redirection of a state's foreign policy (Hermann, 1990). Moreover, strategic change is different from tactical change, which pertains to the country's approach to a particular issue or certain countries, in that it consists of a comprehensive transformation of numerous policies.

Table 1.1 Different types of foreign policy change

Tactical Change	Adjustment Change	A state implements modest and quantitative changes in the level of effort (greater or lesser) and scope of recipients: for instance, improving its military assistance and increasing its amount and extent of foreign aid.
	Program Change	A state's foreign policy goal remains unchanged, but the methods or means to address the goal change.
Strategic Change	Goal Change	A state's foreign policy goal is replaced or modified. For example,

		this happened in the Vietnam War when the US accepted that South Vietnam could not withstand military attacks from North Vietnam and hence refrained from deploying additional American combat forces.
	International Orientation Change	A state performs a 180-degree turn on almost every foreign policy, such as changing from a conservative to a radical stance. It consists of a redirection of its entire foreign policy orientation toward world affairs, entailing a fundamental shift in its international role and worldview; this type of change is rare.

(Alden and Aran, 2017; Hermann, 1990)

All these types of changes in a country's foreign policy are generated by a process of sequential decision making, with different yet interrelated stages influenced by various elements (Billings and Hermann, 1998; Blavoukos and Bourantonis, 2017; Hermann, 1990). Billings and Hermann (1998) identify ten stages in this process: 1. Determination of decision units, 2. Problem location, 3. Problem diagnosis, 4. Option development, 5. Policy choice, 6. Policy implementation, 7. Receipt of information/feedback, 8. Evaluation of information/feedback, 9. Reconsideration of the problem, and 10. Follow-on choice of new foreign policy (a detailed introduction to sequential decision making theory can be found in Chapter Two). This study mainly focuses on the last five steps since these phases are crucial to foreign policy change research, as most foreign policy changes occur in response to negative feedback on preceding policies (Billings and Hermann, 1998; Hermann, 1990).

The current study adopts Moravcsik's (1993) definition of the three levels of analysis, namely individual, state/domestic, and international. He (ibid) defines domestic factors as factors situated within the domestic sphere and related to foreign policy decision making, such as a state's political system, economic development, regime type, civil society, media, advocacy groups, bureaucracy, political and strategic culture, history, and societal values. He (ibid) excludes personnel factors such as the characteristics and psychology of specific leaders from domestic factors because they belong to individual-level rather than domestic-level analysis.

Until the end of the Cold War, research into foreign policy changes was largely neglected (Alden and Aran, 2017; Blavoukos and Bourantonis, 2017; Hermann, 1990). In recent years, the IR analysis of foreign policy changes has been increasing, but more needs to be done in the IR field to research foreign policy changes (Holsti, 2016). As a subfield of IR, FPA tends to explain foreign policy behaviour via domestic and decision making factors (Kaarbo, 2015), but it also fails to fully address the problem of foreign policy change (Alden and Aaron, 2017).

Most existing research on China's foreign policy changes uses an IR approach. The most influential school of IR, neo-realism, has long argued that because of China's increasing power and rising international status, its foreign policy would become more aggressive (e.g., Cronin and Cronin, 1996; Friedberg, 1993; Johnston, 1992; Mearsheimer, 2006). Most of these neorealist scholars shared a similar view: although China perhaps had peaceful intentions, as its influence in world affairs increased, the existence of an anarchic international order would force it to change and take more assertive actions. In IR, the concept of "anarchy" does not equal chaos or lack of order but simply means that the world lacks a supreme authority or global government that sits above all state governments (Lechner, 2022). The notion of an international order can be defined as the "explicit principles, rules, and institutions that define the core relationship between the states that are party to the order" (Ikenberry, 2009, p. 23).

Neo-realist scholars share the assumption that nation-states focus on their survival, uphold a discipline of self-help, and tend to develop their relative power capabilities (Mearsheimer, 2001; Waltz, 1979). From a realist perspective, changes in relative power derived from

economic growth are the main cause of international political conflicts (Gilpin, 1981). Variations in economic development redistribute the relative power of states over time (ibid), and rising states such as China are likely to challenge the status quo because of their increasing relative power and the changed international power balance. Such challenges are usually unavoidable, though scholars of defensive realism hold different opinions on the extent of the challenge caused by rising powers. For example, offensive realists such as Mearsheimer (2006) have argued that given the anarchy of the international order, China's most rational survival strategy is to actively grasp any opportunity to accumulate power and alter the world order to make it more favourable to its own interests. Instead, defensive realists, such as Ross (2020), usually take a less pessimistic stance by claiming that though China's foreign policy is becoming more confident and assertive with its increasing strength, the possibility of China's relatively peaceful rise still exists because "the power transition neither precludes moderation in security and economic competition nor cooperation [between China and the US] on common interests in bilateral and global affairs" (Ross, 2020, p. 63). Furthermore, both offensive and defensive realists have tended to explain China's foreign policy change from an international system perspective.

The neorealist approach has been criticised for its inability to explain the specific actions of individual countries, as it tends to overlook the unique characteristics of states (Moravcsik, 1993). For instance, the question arises as to why China proposed the *fenfa youwei* policy in 2013 instead of 2010, when it became the second-largest economy in the world. If relative power and international status were the sole determinants of a country's foreign policy, then China should have launched this policy soon after becoming the second-largest economy. A probable explanation is that a state's foreign policy is not determined entirely by its relative strength. Additionally, structural realists since the 1990s have contended systemic pressures generated by the anarchic international system would alter China's peaceful rise policies (Cronin and Cronin, 1996; Friedberg, 1993; Johnston, 1992), but China adhered to its *taoguang yanghui* policy until 2013. Kirshner (2012) also argued that if we assume that China is a rational actor seeking security, the logical conclusion would be that China would rationally recognise that its pursuit of hegemony would put it into a more dangerous situation because

this pursuit would trigger other countries to seek to counter China's rise. As a result, China would curb its ambition (ibid).

Neorealism and neoliberalism are the two most influential contemporary IR theories (Moravcsik, 1993). Scholars of neoliberalism argue that China is unlikely to change its longstanding strategy of peaceful rise or upset the international status quo. Neoliberalists such as Ikenberry (2017) tend to believe that China will largely choose to retain its status quo because the stakes are too high for it to challenge the system. According to Ikenberry (2011; 2017), the current international system is a rule-based liberal one defined by multilateralism, interdependence, and economic and political openness. However, China's diplomatic shift since 2013 has challenged neoliberalists' optimistic view of China's rise: for instance, it might be difficult for neo-liberalists to convincingly explain China's assertive stance over territorial disputes in the SCS and the East China Sea.

Because of its intrinsic logical flaw of omitting domestic political factors from its theoretical models (Moravcsik, 1993), a pure international system-level analysis cannot persuasively explain China's foreign policy change. All states, especially great powers like China, "enjoy considerable discretion with regard to how they will pursue their goals and what sacrifices they will make in the face of constraints" (Kirshner, 2012, p. 57). Thus, it is impossible to fully understand and anticipate the shifts in China's diplomacy solely from an international-level perspective. However, this does not mean that an international-level analysis is unreliable or cannot be applied in investigating China's foreign policy changes.

Since insufficient research has investigated China's diplomatic transition from the domestic political perspective, an analysis that examines domestic variables could contribute to current Chinese foreign policy research. By focusing on domestic factors, the current study tries to explain the shift in China's foreign policy from an internal standpoint, which may provide new understandings for policymakers in other countries and scholars of China's foreign policy. Furthermore, considering China's importance in current international politics, an

investigation into changes in Chinese foreign policy has both theoretical and practical significance. IR scholars and FPA scholars may also find this research beneficial because this thesis investigates foreign policy changes, an area in which more research needs to be carried out in both the IR and FPA fields (Alden and Aaron, 2017).

There are four great debates in the IR field: realism versus idealism, traditionalism versus scientism, neorealism versus neoliberalism, and positivism versus post-positivism. The most recent debate, also known as the rationalism versus reflectivism debate, relates to the underlying epistemology of IR, with scholars debating the importance and influence of material and ideational variables (Smith, 2013). Rationalist theories tend to adopt positivistic methodologies to measure and analyse what can be observed, ignoring ideational factors such as identity, norms, culture, and ideology, which they regard as non-testable (Navon, 2001). By contrast, reflectivist theorists believe that positivism is a flawed epistemology for the social sciences because socially constructed variables are an essential part of the social science disciplines, including IR and FPA (Smith, 2013).

This analysis takes an approach of analytic eclecticism, which selectively uses theories from different and sometimes contrasting research traditions to build profound arguments and explanations for complex realpolitik phenomena (Sil and Katzenstein, 2010). This approach aims to address complicated real-world problems of broad scope by incorporating different influential variables (ibid). Such an approach falls within the paradigm of pragmatism (ibid). Pragmatism is a philosophical approach that has the potential to reconcile the opposing views of reflectivism and rationalism (Friedrichs and Kratochwil, 2009) by moving beyond the debate over whether the mind affects people's interpretations of experience and observations or whether ideas are the results of experience (Smith, 2013). Pragmatism borrows ideas from different approaches as long as they are valuable without focusing too much on the philosophical or epistemological debates behind these approaches (Friedrichs and Kratochwil, 2009).

This research chooses analytic eclecticism because it is not conducting a theoretical study but an investigation focusing on specific phenomena. However, that does not mean theories, philosophies, epistemologies, and ontologies are irrelevant in analysing realpolitik. Nevertheless, the study does not aim to resolve the epistemological debate that has split the IR field into contending factions (Monteiro and Ruby, 2009). As Sil and Katzenstein (2010) note, the debates among different schools have tended to magnify a widening crack between IR theory and realpolitik problems and practises. In resolving this stalemate, Friedrichs and Kratochwil (2009) and Sil and Katzenstein (2010) agree that analytic eclecticism should play a more significant role in research. Furthermore, the 2012/2013 transition in China's diplomacy represent quite a complex phenomenon because many factors influence China's foreign policy decisions. Thus, this thesis selects analytic eclecticism.

In addition, the analytic eclecticism approach fits well with this thesis's theoretical framework. This thesis does not plan to establish a new theory by synthesising different and even conflicting theories and then validate the new theory by explaining three different cases. On the contrary, it uses different theories as analytical tools. This research draws on two theories: 1. The narrative theory of constructivism; and 2. Mintz's poliheuristic theory of rational choice. Constructivism belongs to the reflectivist approach, and according to narrative theory, changes in the narratives about a state's past can create new entities, frames, strategic cultures, and norms leading to foreign policy change (Barnett, 1999). In comparison, rational choice theory fits within the rationalist approach (Hill, 2003; Navon, 2001). Mintz's (2004) rational choice theory is also known as the poliheuristic theory. He (ibid) uses a two-phase model to describe the procedure of foreign policy decision making and explain diplomatic decisions. The first phase generates non-compensatory choices, in other words, choices that cannot be abandoned. For example, any option that may threaten the ruling party's survival is unacceptable, and such options will not be adopted at this stage. Once policymakers discard actions that are not politically palatable or attainable, they enter the second phase (ibid). Mintz (2004) claims that the second phase resembles the conventional rational choice approach, which means that foreign policy decisions are driven primarily by the search for the maximisation of utility in terms of maximising benefits and minimising costs.

This study uses the national interest framework to identify the dominant domestic factors influencing China's foreign policy changes since 2013. Politicians have used the concept of national interest to describe the goals of sovereign states in the international arena ever since the foundation of nation-states (Nuechterlein, 1976). Nuechterlein (ibid, p. 247) defines national interest as the "perceived needs and desires of one sovereign state" when interacting with other actors in the external environment. According to him (ibid), there are four categories of national interest (see below, Table 1.2).

Table 1.2 Categories of National Interest

Defence Interests	Protection of the nation-state and its citizens against the threat of physical violence directed from another state, and/or an externally inspired threat to its system of government.
Economic interests	The enhancement of the nation-state's economic well-being in relations with other states.
World Order interests	The maintenance of an international political and economic system in which the nation-state may feel secure, and in which its citizens and commerce may operate peacefully outside its borders.
Ideological interests	Protection and furtherance of a set of values which the people of a nation-state share and believe to be universally good.

(Nuechterlein, 1976, p. 248)

In the first round of the China-US Economic Dialogue in 2009, Chinese State Councillor Dai Bingguo identified China's three core interests: (i) the security of the fundamental system (the political system of one ruling party led by the CCP) and society; (ii) state sovereignty and territorial integrity; and (iii) the stable development of the economy and society, where protecting the fundamental system—the security of the one ruling party regime system—was the top priority (State.gov, 2009). In 2010, he re-emphasised these three core national interests in his explanation of the foreign affairs component of the 12th Five-Year Plan (Gov.cn, 2010). Furthermore, the 2011 "China's Peaceful Development" white paper officially recognised these interests as the country's three core interests (Gov.cn, 2011a). Moreover,

Dai's classification suggests three issues relevant to the current study's investigation of how domestic factors influence China's foreign policy shifts: (1) How are such shifts shaped by the interest in regime stability? (2) How are such shifts influenced by nationalism? (3) How are such shifts affected by the interest in economic development?

This thesis investigates these three issues using a case study approach involving three cases: the OBOR initiative, China's foreign policy in the SCS, and the role of Chinese SOEs in the China and US trade war negotiations. The first case study explores how considerations of regime stability influenced China's decision to launch the OBOR initiative, a prime example of China's more ambitious foreign policy since 2013. The second case study explores how nationalism has affected Chinese foreign policy in the SCS since 2013, a representative case of Chinese policy concerning its sovereignty and territory, which exemplifies the relationship between nationalism and foreign policy decisions. According to Dixon (2014), nationalism has been an influential ideological factor shaping China's irredentist claims over the sovereignty of the South and East China Seas. China has stirred up so much nationalist feeling over the SCS issue that its policy options have become constrained (Yahuda, 2013). Moreover, in comparison with the East China Sea conflict with Japan, the SCS case is more representative of China's changing actions because the Chinese have long held negative attitudes towards Japan due to the history between these two countries. For instance, there were a series of anti-Japanese demonstrations in China because Japan had revised its history textbooks in 2005 (Kahn, 2005). By comparison, in 2002, China signed the Declaration on the Conduct of Parties in the South China Sea (DOC) with the aim of resolving the SCS disputes by peaceful means and "through friendly consultations and negotiations by sovereign states directly concerned" (Fmprc.gov.cn, 2022a). China's subsequent reversal of this cooperative approach make the SCS case better suited for investigating the influence of nationalism on changes in Chinese policies. The third case study explores how economic factors influenced China's changed attitude towards SOEs in the recent Sino-US trade war negotiations compared to earlier negotiations linked to China's application to enter the World Trade Organisation (WTO). Because the trade war is a complex and significant case, this thesis chooses to focus on the specific issues relevant to SOEs in the trade war.

The combination of China's core national interests and the case studies leads to the identification of four research questions (RQ):

(1) Has China's foreign policy changed strategically since 2012/2013? If it has, what domestic factors have contributed significantly to this change?

(2) How did considerations of regime stability influence China's decision to launch the OBOR initiative?

(3) How have issues of nationalism affected China's foreign policy in the SCS since 2012/2013?

(4) How have economic development factors influenced China's changed attitude towards its SOEs in Sino-US trade war negotiations?

RQ 1 is the main research question of this thesis, and the remaining three are sub-questions of RQ1. RQ 1 aims to answer why China has changed its foreign policy since 2012/2013 by first determining whether there has been a change since 2012/2013 and secondly identifying what factors have contributed to this change. RQs 2, 3, and 4 will investigate how regime security, nationalism, and economic development issues, respectively, affect China's foreign policy changes.

In contemporary China, the overriding aim of the Party and Government is to protect the survival and security of the "fundamental system", namely the political system led by the CCP. The survival and security of the fundamental political system equal the survival and security of the ruling party; hence, in this thesis, the concept of "regime factor" is a synonym for the ruling party's security. Qin (2014), Weissmann (2015), and Zhou (2019) all agree that the security of the State and political system is the most critical consideration for the CCP in

designing China's internal and external strategies. The CCP is a powerful party, but Chinese leaders have never taken the Party's existence for granted; on the contrary, they are constantly worried about the Party's survival, and this fear determines China's external and internal policy decisions (Khan, 2018). For example, even though China was furious about the incident in which the US bombed the Chinese Embassy in Belgrade in 1999, the government still largely remained calm and sought to address this issue by cooperating with the US government (ibid). They took this stance because a successful resolution of this problem was good for China's economy, and hence for the party's security, since economic prosperity is a significant source of the party's legitimacy (ibid).

For the Chinese government, the security of the political system is also closely linked to social stability, as noted in the 2011 White Paper "China's Peaceful Development" (Gov.cn, 2011a), which states that "China is firm in upholding its core interests which include the following: … China's political system established by the Constitution and overall social stability." Therefore, any issue that could undermine social stability, such as terrorism, protests, poverty, and pollution, is also a threat to the Party's rule because issues that inevitably cause social instability would negatively impact the stability of the political system.

In relation to the factor of nationalism, the current study aims to specifically examine Chinese nationalism but not nationalism in general. This is for several reasons. First, the variety of definitions of nationalism can be problematic. From a sociological perspective, Giddens and Sutton (2017) define nationalism as a constructed sense of belonging to a single political community referred to as a "nation." Smith (2011) regards nationalism as an ideology emphasising gaining or maintaining sovereignty and autonomy. Brittingham (2007) defines nationalism as an ideology that places the nation as the highest object of political loyalty whose interests, such as political independence, must be defended. Billig (2010, p. 26-27) states that "nationalism involves the construction of a sense of national identity for those who are said to inhabit, or deserve to inhabit, their own nation-state... It includes the general principle: It is right that 'we' possess 'our' own state, because people (nations) should have their states (nations)." IR scholars such as Mearsheimer (2018, p. 3) regard nationalism as a

political ideology that emphasises self-determination and the inalienable rights of independence and sovereignty: "[nationalism] revolves around the division of the world into a wide variety of nations, which are formidable social units, each with a distinct culture. Virtually every nation would prefer to have its own state, although not all can." Second, as noted by Gries (2004, p. 8), "because it is based upon analysis of European history, the definition that nationalism arises when nations seek to become states does not apply very well to China." China has a distinctive history compared to other developing nations, particularly in East Asia, as it was never fully colonised (Tang and Darr, 2012). Moreover, China's used to be an empire, which differentiates it from the typical scenario where nationalism emerges as a response to previous subjugation by an empire (ibid).

According to experts (e.g., Cabestan, 2005; Gries, 2004; Hughes, 2011; Wang, 2012; Zhao, 2004; Zhao, 2013), Chinese nationalism is not a homogenous concept; rather, there are different types of Chinese nationalism, some of which contradict each other. Zhao (2004) identifies three major kinds of Chinese nationalism: liberal nationalism, pragmatic nationalism, and popular nationalism. According to Cabestan (2005), there are two contrasting forms of Chinese nationalism. One is pro-Western nationalism, which regards the West as the teacher China could learn from and seeks to build a liberal, constitutional, modernised China (ibid.): Hu Shi, Sun Yat-sen, and Yan Fu are representatives of this trend. A contrasting form is "rural and populist primitive nationalism based on ethno-cultural awareness" (ibid, p. 4), which is xenophobic, racist, and anti-Western: The Boxer Rebellion was motivated by this type of nationalism.

The forms of Chinese nationalism are also complex and self-contradictory due to China's recent history. Moreover, in order to shorten the background part of the case study chapter, a brief introduction to Chinese nationalism is included here.

Following the Opium Wars and the first Sino-Japanese War, the traditional tribute system and the *Tianxia* concept collapsed, leading to China's painful transformation from a "celestial

empire" to a nation-state (Wang, 2012). This transformation was accompanied by a crisis in traditional culture and Confucianism, which had previously served to unify the population and provide a solid sense of belonging (ibid). This crisis caused a cultural and spiritual vacuum, which Chinese elites addressed by borrowing the concept of nationalism from Western countries (ibid). This nationalism, invented by Chinese elites and scholars, enabled China to successfully transform from the Qing Empire to the Republic of China, founded in 1912 (He and Guo, 2000; Wang, 2012). Apart from elite nationalism, ethnic nationalism also played an essential role in this process (Zhao, 2004). This ethnic nationalism was suppressed and replaced by state nationalism after the fall of the Qing Dynasty since the majority Han ethnicity needed to find ways to live with or assimilate ethnic minorities into the Han-dominated nation-state, and ethnic nationalism could inadvertently stimulate the independence movements of other ethnic minority groups (ibid).

In the early 20th century, a liberal variant of nationalism was introduced to China, emphasising citizenship, political participation, and common territory, and opposing foreign imperialism and authoritarian rule (Zhao, 2004). Liberal nationalists were critical of the authoritarian rule of the National People's Party (Kuomintang, 国民党), which ruled China from 1927 to 1949. Although many liberal nationalists cooperated with the CCP against the National People's Party, it was mass nationalism that contributed more significantly to the victory of the CPP in the 1945-1949 civil war between the National People's Party and the CCP (ibid). Cabestan (2005, p. 4) describes this mass nationalism as grassroots nationalism. China's grassroots nationalism can be traced to the 1890s, when "a rural and populist 'primitive nationalism' based on an 'ethno-cultural awareness'" emerged, resulting in the Boxer's rebellion in 1900 (ibid). Johnson (1962) describes this bottom-up grassroots nationalism as peasant nationalism, arguing that this type of nationalism contributed to the Party's development in World War Two, its success in the civil war, and the establishment of the PRC.

However, nationalism became a discredited bourgeois ideology after the CCP won and was suppressed for almost three decades under the Marxist-Leninist-Maoist ideology of the CCP (Wang, 2012). After Mao's Cultural Revolution (1966-1976) and the adoption of the Reform

and Opening up strategy from 1978 onwards, the CCP faced "Three Belief Crises" (*sanxin weiji,* 三信危机): a crisis of faith in socialism (*xinyang weiji*, 信仰危机), a crisis of confidence in Marxism (*xinxin weiji*, 信心危机), and a crisis of trust in the Party (*xinren weiji*, 信任危机) (Chen, 1995). The Chinese leadership realised that Communist ideology could no longer provide enough legitimacy for the CCP regime. In response, in 1991, the CCP launched a patriotic education campaign to reshape the state identity and legitimacy of the regime through nationalism, replacing the class-struggle narrative of Mao's era with a new patriotic and nationalistic narrative (Brittingham, 2007; Downs and Saunders, 1999; Gries, 2005; Gilley and Holbig, 2010; Wang, 2012). However, the way of using nationalism as a tool was not emerged in the 1990s but can be traced to the 1940s, when the Party cooperated with both peasant and liberal nationalists to defeat the National People's Party in the civil war (Johnson, 1962; Zhao, 2004).

The patriotic education campaign launched in 1991 aimed to reconstruct and propagate China's nationalism by promoting a new narrative about China's history (Wang, 2012) which highlighted the CCP's role in the creation of a new China. It also has constructed a form of pragmatic nationalism that closely associates the Chinese nation with the Party (Zhao, 2013). According to Zhao (2013), a new type of popular nationalism also emerged in the 1990s, and its growth and evolution were aided by the development of the Internet technology after its introduction in China in 1994. This popular nationalism was characterised by two contradictory impulses: a feeling of China as a victim and a sense of pride based on China's glorious past (Gries, 2004). Since 2008, this popular nationalism has become more aggressive and offensive, based on the new contention that China is currently in an isolated situation due to its rapid economic development and faces adversaries who are motivated by fear and jealousy, especially the Western countries (Hughes, 2011). This new popular nationalism is a mixture of the old anti-Western nationalism, the idea that China has to struggle for self-strengthening, and a call for China to more determinedly protect its interests (Hughes, 2011; Leibold, 2010).

Hughes (2011) and Zhao (2013) has noted a dangerous convergence of popular nationalism and pragmatic nationalism (the previous mainstream nationalism) since 2008. In line with IR scholars who regard nationalism as an ideology whose content influences states' behaviours, this study argues that the specific content of Chinese nationalism has affected China's foreign policy. The study mainly focuses on the convergence between pragmatic and popular forms of Chinese nationalism, the transformation of the content of Chinese mainstream nationalism, and the changes this transformation has brought to foreign policy.

Finally, economic interests play an important and extensive role. The economic factors cover a wide range (Economides and Wilson, 2001). Even if the study confines the scope of economic factors to the realms of IR and foreign policy, the number of economic factors is substantial. Relevant economic factors include but are not limited to commercial considerations that drive foreign policy, an increasing economic interdependence between countries, and the impact of economics on politics (Economides and Wilson, 2001). Since this study focuses on domestic influences on foreign policy, the economic factors examined here will be limited to the domestic domain and closely relate to China's core economic interests. Nonetheless, due to the increasing economic interconnections driven by the irreversible process of globalisation, one state's domestic economic policies can affect others' domestic economies. For example, Mann (2022), a member of the Monetary Policy Committee of the Bank of England, points out that changes in US interest rates can impact the United Kingdom's economy. Hence, in this study, the economic factors relating to China's domestic economy will include China's economic development, China's considerations about the influence of economics on its social and political system stability, and the influence of other countries' actions on its domestic economy.

1.2 Methodology

This thesis uses qualitative research as its methodology. Traditionally, research in FPA and IR relied on text-based methods until the so-called "behavioural revolution" profoundly influenced the fields (Morin and Paquin, 2018). Although qualitative methodologies still play a significant role in IR and FPA (Hug, 2018; Morin and Paquin, 2018), quantitative methods

have become more prevalent. This study understands quantitative research as empirical studies that collect, display, and numerically analyse data (Berg, 2008) with tools such as probability, statistical inference, Bayesian statistics, and ordinary least squares regression (Li, 2018). It understands qualitative research as the antithesis of quantitative analysis, that is, everything that is not about numbers, including case studies, questionnaire surveys, focus groups, interviews, archival research, participant observation, qualitative content analysis, and process tracing (Berg, 2008).

The primary methods used in this paper are document analysis, comparative analysis, and case studies. Document analysis is one of the most commonly used qualitative data analysis approaches in IR and FPA research. The political science field, especially China's foreign policy analysis field, has long been characterised by document research. "Document analysis is a systematic procedure for reviewing or evaluating documents" (Scott, 1990, p. 12) and interpreting data to obtain meaning and understanding and develop empirical knowledge (Bowen, 2009). Document analysis has been the main data collection method for studying Chinese diplomacy since the early 1990s (Carlson and Duan, 2010). Comparative analysis holds an important place in social and political science research (Porta, 2008). It aims to keep potentially disturbing elements constant to identify the influences of variables (ibid). Another key tool for IR and FPA researchers is the case study (Potter, 2017), which is an intensive investigation of a unit to understand a larger class of similar units (Gerring, 2004). Gerring (ibid, p. 342) defines the notion of "unit" as "a spatially bounded phenomenon […] observed at a single point in time or over some delimited period of time." A unit can include a state, foreign policy strategic change, or political party. Various IR and FPA studies have used this method, such as Allison (1971) and Mearsheimer (2001).

The present study uses a case study and document analysis to compare China's foreign policy before and after 2013 and examine the main domestic factors contribute to the change if China's foreign policy has changed since 2013. For the second research question, the study mainly examines the case study of the OBOR initiative through document analysis and comparative analysis; for the third question, the study mainly examines the case study of the

SCS through document analysis and computer-aided qualitative thematic analysis; finally, for the fourth question, the study mainly examines the case study of the Sino-US trade war through comparative analysis and document analysis.

The data employed in this study mainly consists of official documents from governments or international organisations, news, and academic texts. Primary sources include but are not limited to official government documents, such as leaders' and spokespersons' speeches, articles, and interviews; Five-Year Plans and the annual Chinese government work report; the report of the US government; memoranda; and working papers. Prominent semi-government institutions' reports and papers, such as Journal of the Central Party School articles, are also used. Other primary sources include documents and data from international organisations, such as the WTO and the International Monetary Fund (IMF), and news reports from news websites of world-class and news posted on government websites. Statistical data are mainly from the World Bank website, IMF reports, an influential statistical company (FactSet), an online data portal (Statista), the official website of the Chinese National Bureau of Statistics, news, and academic texts. In the computer-aided qualitative thematic analysis, the *People's Daily* Online (Rmrb.egreenapple.com, 2020) and China Digital Library (Apabi.com, 2020) databases are used to collect news reports from the *People's Daily* from 1 January, 2007, to 31 December, 2014. Secondary sources include newspaper commentaries selected from newspapers regarded as reliable and credible, thus avoiding tabloid resources. Other secondary sources mainly include academic theses, articles, books, and reports, selected according to the quality of the texts, the author of the texts, the institution publishing the reports, the publisher of the book, the journal in which the articles were published, and the number of times the texts were cited.

Regarding the theoretical framework of this thesis, the SCS case study employs constructivist narrative theory, and the OBOR initiative and Sino-US trade war case studies use the poliheuristic theory. The poliheuristic theory is applied to the question of how the consideration of regime stability influenced the OBOR initiative, which mainly focuses on the decision making aspects behind this initiative. This case study analysis investigates how

domestic politics and challenges to the regime affected the OBOR initiative. A constructivist framework that underpins the third question is used to investigate how China's changed nationalism affected its understanding of the SCS. The poliheuristic theory is also used to analyse the fourth question of how economic factors influenced China's changed attitude towards its SOEs in the Sino-US trade war. Comparative analysis is employed to contrast China's agreement to reform its SOEs to prepare to join the WTO in 2001 with its refusal to take similar behaviours in the Sino-US trade war negotiation around twenty years later. In investigating the influence of economic factors, specifically the economic development interests, on this change, it further explores the Chinese government's contradictory attitudes towards the liberalising of its SOEs.

1.3 Main findings

The main findings of this study are threefold. First, this study argues that China's foreign strategy has undergone a goal change since 2013. Under Hu's leadership, China changed the "playing a due role" doctrine of *taoguang yanghui* to "actively playing a due role." Xi Jinping, in turn, replaced *taoguang yanghui* with his *fenfa youwei* strategy, which more emphasises China's "great rejuvenation" and the security interests than the economic interests. Whereas Hu mainly focused on economic development, Xi has emphasised national security. Xi has made it clear that protecting China's core interests, especially its sovereignty and territorial integrity, is more critical than peaceful development. China's worldview has also changed, following its overarching goal of building a new type of IR. Moreover, the two presidents used the term "China's rejuvenation" differently. While Hu used it as a descriptive phrase to demonstrate the previous achievements of the Party, Xi has framed it as an unachieved goal. In relation to foreign policy, Hu blocked any proposals to militarise the SCS islands. In contrast, after 2013, China began the massive construction of artificial islands in the SCS and militarised these islands. China's previous foreign policy aim was to serve its economic development, while its new goal is "China's rejuvenation." Thus, this study argues that since 2013, China's diplomatic strategy has undergone a goal change.

Second, the CCP has shifted its foreign policy strategy since 2013 due to a variety of domestic factors, particularly those related to regime security, economic development, and rising nationalism. Of these, regime security is the most crucial consideration for the CCP when designing China's international strategy. In fact, the fear of internal chaos drove numerous PRC actions (Khan, 2018). Before 2013, during the second term of Hu Jintao's administration, China faced numerous domestic challenges, including but not limited to corruption, cronyism, pollution, an ageing population, economic inequality, and separatist movements in Tibet and Xinjiang. In response, President Xi Jinping proposed the concept of the holistic view of national security, which extended the definition of national security to encompass both internal and external threats, including those related to sovereign territory, military affairs, economics, information, and the environment (China.org.cn, 2015). Unlike Hu's predecessor, Jiang Zemin, who was prepared to make concessions in territorial disputes for the sake of peaceful development (Fravel, 2005), Xi has claimed that although peaceful development is vital, China will not give up its core interests (China.org.cn, 2013b). This new understanding of core national interests still identifies regime stability as the paramount concern. Although economic development is essential, this new paradigm views sovereignty and territorial rights as more important than economic development.

While China's economic development is one of the two essential pillars of the party's legitimacy (Holbig and Gilley, 2010) and has been one of the main factors determining China's foreign policy since the launch of the Reform and Opening up policies (Su, 2016), it has also faced problems. While economic growth continues to provide legitimacy for the Party and the political system, China needs to emphasise long-term healthy development, with a new definition of the economic national interest relevant to reforming China's economic development model. The other pillar of the party's legitimacy is nationalism (Downs and Saunders, 1999). Although Marxism still plays a significant ideological role in China, nationalism has become a more vital force. Nationalism connects the pre- and post-Reform and Opening up eras and has paved the way for the 180—degree turn in internal and external policy orientations in the Reform and Opening up period. In sum, a new understanding of China's national core interests has resulted in a more active foreign policy strategy. Since 2013, China's foreign policies have focused more on maintaining regime security, protecting

sovereignty and territorial interests, and reforming the economic development model while ensuring economic development. As a result, China has become more assertive in its international interactions. For instance, it has taken a more proactive stance in territorial disputes and the Sino-US economic relationship.

Thirdly, considerations of regime security played a crucial role in the decision making process behind the launch of the OBOR initiative. In the domestic discussion stage of the OBOR initiative, possible risks of this project were identified, including investing in politically unstable and economically underdeveloped countries, the complexity of relationships between the countries participating in the project, the danger of provoking suspicion from major powers (such as the US), and the danger of being labelled a neo-colonialist country. The OBOR initiative has faced criticism and suspicions from countries such as India and the US after its implementation. Although external realpolitik factors contributed to the birth of the OBOR initiative, the Chinese government's main domestic motivation for the OBOR initiative is addressing domestic challenges, such as solving domestic economic problems of over-capacity and countering the separatist movements and terrorism in Xinjiang. Compared with other projects, such as the Regional Comprehensive Economic Partnership (RCEP) and the China-Japan-South Korea Free Trade Agreement (FTA), OBOR has been advantageous in developing China's western and underdeveloped regions, boosting SOEs, enhancing China's international influence and satisfying nationalist sentiment, and promoting China's energy security. It has received significantly more resources from the Chinese government than RCEP or the China-Japan-South Korea FTA, and over half of its advantages compared to them derive domestic political security benefits for the Party. The OBOR initiative has the potential to improve development in impoverished regions such as Xinjiang, where regional economic imbalances could threaten the local social stability and thus reduce China's political stability. Additionally, Chinese SOEs, a critical source of financial income for the government, can benefit from the OBOR projects. The consideration of domestic political security affected not only the initial decision to launch the OBOR initiative but also the subsequent evaluation of its costs and benefits, which is that the benefits of OBOR outweigh the potential risks.

Another advantage of the OBOR initiative is that it satisfies nationalist sentiment, as nationalism is one of the two pillars of regime legitimacy (Holbig and Gilley, 2010). However, the rise of nationalism has also made diplomatic compromises and flexibility on territorial issues more difficult. Moreover, as noted, mainstream nationalism has evolved to combine popular and pragmatic nationalism, which more emphasises China's role as a victim and the obstacles China's current rejuvenation faces due to Western countries, especially the US and its allies than the previous mainstream nationalism.

Nationalism has significantly influenced China's policy shift in the SCS since 2013. China's new mainstream nationalism has influenced its SCS narrative, describing China as a country that neighbouring countries and great powers have bullied it over this issue. This narrative portrays China as subjected to unwarranted oppression from the US and the neighbouring claimants as unappreciative of China's previous benevolence and self-control in the SCS, instead seeking to collude with the US to take advantage of China in the SCS territorial dispute. Most Chinese people, including the top leaders, appear to accept this narrative. Nationalism is a two-edged sword: while it can boost the regime's legitimacy, making concessions on territorial disputes that could be viewed by nationalists as weak can undermine the regime's legitimacy. Consequently, the government must take nationalism into account when calculating costs and benefits in the foreign policy decision making process. The cost of taking dovish actions is higher now because the Chinese has become more hawkish than before. Furthermore, the changed perception of Chinese leaders on the SCS issue also influenced China's changed behaviour in the SCS. However, that does not mean that the Chinese government is the puppet of public opinion and will act blindly on the SCS issue in an aggressive way.

Finally, China's unwillingness to make concessions on the issue of SOEs during the Sino-US trade war negotiations can be attributed to the country's changing economic situation. The SOEs are regarded as the critical material and political foundation of the Party's leadership and China's socialist system. During China's accession to the WTO, SOEs were seen as financial burdens to the government, and improving their production efficiency was a priority. By

contrast, in the period before and during the trade war, SOEs have become an essential source of taxation and employment opportunities, and enhancing their efficiency is no longer the government's overriding goal.

Nevertheless, China has an ambivalent attitude towards SOE reforms. On the one hand, the country wishes to improve the efficiency of SOEs through liberalisation reforms. On the other hand, the Party and Government fear that SOEs may no longer obey government commands after the liberalisation reform. This attitude was also reflected in the negotiation process of the trade war. The Chinese government has consistently sought to actively maximise its gains and minimise its losses in the SOE reform issue. While it is willing to undertake SOE reforms that would not undermine domestic political security and would benefit the economy, chances are SOE reform will not be a viable option if the Party perceives it as a threat to its survival and domestic political security.

1.4 Organisation of this research

This thesis is divided into eight chapters. This first chapter briefly introduced the main research question, theoretical frameworks, methodologies, findings, and the structure of this thesis. Chapter 2 provides a review of the relevant literature. Chapter 3 discusses the research design and includes sections on the theoretical framework, methodology, research methods, and the evaluation of the research design. The main body of the thesis comprises chapters 4 to 7, and these chapters answer RQ1, 2, 3, and 4 separately. Chapter 4 examines whether China's foreign policy strategy has changed and examines what significant domestic factors contribute to this change, while Chapters 5, 6, and 7 examine the OBOR initiative, China's SCS foreign policy change, and the change in China's attitude towards SOEs in the Sino-US trade war. Chapter 8 is the conclusion chapter.

The literature review chapter reviews theories related to foreign policy change and the research on China's foreign policy changes. Firstly, it reviews the IR theories relevant to foreign policy change and mainly focuses on neo-realism, neoliberalism, and constructivism.

The chapter's second part reviews the FPA theories on foreign policy change, and the third section discusses the different IR and FPA theories' explanations for China's foreign policy change. Finally, the chapter reviews existing research on domestic factors influencing China's foreign policy, the country's decision making mechanism, and the context of China's foreign policy decision making process. The fourth section also concisely reviews the concept of national interest.

The research design chapter consists of five sections: theoretical framework, methodology, research methods, evaluation of the research design, and conclusion. The theoretical framework section is about why this study chose narrative and poliheuristic theories to answer RQ 2, 3, and 4. The methodology section discusses the study's methodological position. The research methods section explains the research methods this thesis used. The evaluation section focuses on examining the research methods and assessing the quality of the collected data.

Chapter 4 investigates whether China's diplomatic strategy has changed since 2013 and, if so, what essential internal factors have contributed to this shift. The chapter starts with a comparative analysis of Hu and Xi's grand foreign policy strategies and argues that there has been a goal change in China's foreign policy strategy since 2012/2013. It then investigates the main domestic factors behind this change. In particular, it seeks to answer the following question: why did the *taoguang yanghui* policy, which had previously facilitated China's peaceful rise and economic development, was viewed by the Chinese government as having negative results, and thus China chose to shift towards more proactive measures to protect its interests?

Chapter 5 introduces the first case study, which is about the OBOR initiative, to examine the influence of regime security factors on China's foreign policy change. OBOR is the most ambitious initiative Chinese President Xi Jinping has proposed since 2013. Due to the size and complexity of this initiative, this thesis only focuses on the decision making procedure of the

OBOR initiative. This chapter seeks to examine the domestic factors that motivated China to make this significant decision and the objectives the Chinese leaders hope this initiative to achieve. This chapter argues that although the Chinese government also considered other factors, the security of the regime was the most influential domestic factor behind OBOR.

This chapter employs Mintz's poliheuristic theory. It first provides some background information on OBOR and then explores the motivations behind the initiative. Chapter 5 then proceeds to examine the nexus between the internal impetuses for OBOR and the economic and security predicament confronting China, including the restructuring of its growth model, surfeit in manufacturing, pronounced regional disparities and income inequalities, simmering ethnic tensions, terrorism, and the separatist insurrections in Xinjiang. In the following section 5.3.2, the chapter investigates the second phase of the rational foreign policy decision making process: calculating the costs and benefits. It evaluates the costs and benefits of the OBOR initiative in comparison with those of other projects, such as the RCEP and the FTA between China, Japan, and South Korea.

Chapter 6 investigates the second case, China's foreign policy change in the SCS. This chapter investigates the impact of Chinese nationalism on its foreign policy changes in the SCS. It employs narrative theory to explore the influence of Chinese nationalism on China's SCS policy changes, where a narrative is seen as a story that provides "a collective understanding of how to interpret the past, which situates the present and acts towards the future" (Barnett, 1999, p. 8). According to Barmé (1993, p. 260), "every policy shift in recent Chinese history has involved the rehabilitation, re-evaluation, and revision of history and historical figures as well." A change in the constituent narratives of Chinese mainstream nationalism not only indicates a forthcoming foreign policy change but also provides a rationale for such a change.

This chapter begins by reviewing China's actions in the SCS. After introducing the SCS and China's policy shift concerning it, the chapter discusses the changes in China's nationalistic

narratives. It also analyses the evolution of the SCS narrative and how the altered nationalistic narrative has influenced the change in China's SCS foreign policy.

Chapter 7 introduces the third case study, the issue of SOEs in the Sino-US trade war. It examines the policy changes in China's SOEs. This chapter compares China's response to the requirement to reform its SOEs during its accession to the WTO with its reaction to similar demands during the Sino-US trade war negotiations between 2018 and 2020. In comparing the SOE policies of the Chinese government during these two periods, the chapter aims to demonstrate how the different perceptions of leadership on China's economic development interests drove its SOE policy changes.

This chapter also employs Mintz's rational choice theory. China will not consider any decision that endangers the regime's survival a rational choice and will exclude this decision from the available options in the beginning. Thus, only decisions that do not threaten the survival of the regime enter the second stage of the cost-benefit analysis (Mintz, 2004). The chapter argues that if China perceives SOE reform as a threat to the stability of the one-party regime, then it is unlikely to choose SOE reform against the interests of regime stability, even if such reforms can enhance economic development, one of China's three main national interests. Conversely, if the Chinese government believes that SOE reform is not harmful to the regime but could even maintain the regime's stability by improving economic development, then China would be more likely to embrace SOE reform.

Chapter 8 summarises the most important insights of this research and the answers to the four research questions. It also provides a few recommendations for future research and outlines the research contributions.

1.5 Conclusion

This thesis' primary aim is to investigate China's foreign policy changes from 2012/2013 to 2020 from a domestic perspective. The majority of the existing literature on China's foreign policy changes since 2013 pays significant attention to the influence of external factors, and thus, more research on the impact of domestic factors on China's foreign policy changes is needed.

The thesis argues that there are three main domestic factors that have contributed to China's more assertive foreign policy: regime security, the rise of new nationalism, and the new perception of economic interests. The ruling party prioritises regime security in formulating China's international strategy. While this study does not claim that international factors or other countries' foreign policies have been irrelevant to China's foreign policy change, it focuses on the influence of domestic factors.

This thesis is valuable for four reasons. Firstly, it examines changes in China's foreign policy since 2012/2013 from a domestic perspective using poliheuristic theory and narrative theory. The majority of existing research tends to interpret China's diplomatic policy changes from an international structural perspective (He and Feng, 2013; Smith, 2021). Furthermore, many analyses that focus on the influence of domestic factors on China's diplomatic policy shifts are empirical rather than theoretical. For example, Lanteigne's (2009) book "Chinese Foreign Policy: An Introduction" mentions various actors and factors in China's foreign policy decision making process without employing any FPA theory. Turcsanyi (2017), in his work on China's behaviour in the SCS, also mentions the influence of domestic factors on changes in China's SCS policies; however, this research is also empirical. Garver's (2016) and Ferdinand's (2016) research also tends to be more empirical than theoretical. As such, the foreign policy change field needs further investigation to develop the FPA (Alden and Aaron, 2017). Moreover, when this research began, no investigations adopting poliheuristic theory to analyse China's foreign policy change since 2012/2013 had been undertaken (Mintz and Chatagnier, 2020). Thus, this analysis of China's foreign policy changes might aid FPA scholarship on Chinese

foreign policy changes, especially the relationship between domestic political security and foreign policy change.

Furthermore, I have not yet seen the combination of poliheuristic theory and narrative theory to analyse China's foreign policy changes since 2013 in other investigations. According to Mintz and Chatagnier (2020), no research had analysed China's foreign policy change since 2013 using poliheuristic theory as of 2020. Poliheuristic theory emerged in the 2000s, and although many scholars have shown interest in it, more research is necessary to testify to its broad validity (Mintz and Chatagnier, 2020). Moreover, the FPA approach has been questioned for its applicability in the context of a country that differs from the US, as primary FPA theories are essentially equivalent to US FPA theories (Brummer and Hudson, 2017). Chinese FPA, meanwhile, is at an early stage of development, and few Chinese scholars have used FPA theories (Feng, 2015). Thus, applying poliheuristic theory to the OBOR and SOE cases examines and demonstrates the theory's wide range of applicability. In addition, some articles have attempted to analyse China's foreign policy change from the perspective of domestic political security, such as Khan's (2018) "Haunted by Chaos". However, few have sought to employ poliheuristic theory, which has advantages in explaining the relationship between domestic politics and foreign policy decision making, to explain their findings or support their arguments. Additionally, although some scholars, such as Smith (2021), have used constructivism to explain how China has justified its foreign policy changes since 2013 through narratives and discourses, such studies are insufficient. Unlike Smith's article, this thesis primarily applies narrative theory to the SCS case to explain the impact of nationalism on China's SCS foreign policy.

In addition, although I cannot unequivocally state that no existing research has combined poliheuristic theory and narrative theory to explain China's foreign policy change since 2012/2013 as I cannot read all papers around the world, I have not found any research that attempts to do so. Thus, it can be claimed that this study has certain originalities and has theoretical value to the current research field on the relationship between domestic factors and China's foreign policies.

Secondly, this thesis might benefit scholars attempting to bridge the gaps between IR and FPA and between rationalism and reflectivism by demonstrating the advantages of the analytic eclecticism approach. Narrative theory can be classified as a reflective theory falling between the structural and agent approaches. In contrast, prospect theory belongs to the rationalist agent cluster. A more detailed explanation of this classification is provided in Section 2.5. This research argues that in cases where it is not possible to create a logical and coherent theoretical framework that combines different theories of contradicting philosophies and methodologies to solve a significant problem with multiple causes and influential factors, a more effective approach is to select the theories that are most relevant to the major factors contributing to this problem that cannot be explained with a single theory and generate analysis by employing the chosen theories separately. In other words, choosing the most applicable theories and utilising them for separate factors of the problem is more realistic than constructing a general theory that combines contradictory theories to explain the problem. Because IR scholars have not yet reached a clear consensus in the debate between reflectivism and rationalism, this paper suggests a cautious attitude towards combining theories from these two approaches. If it is unable to resolve the philosophical conflict between the rationalist and reflectivist approaches, a theoretical framework that combines theories from these two approaches could not address the dilemma of self-contradiction. Therefore, when it is not possible to resolve philosophical conflicts and develop a general theory that can be applied to every issue, instead of aimlessly pursuing a theoretical fusion, a more practical approach is to choose analytical theories flexibly based on the specific situations.

Waltz (1979, p.39) has criticised this type of approach as “one cannot predict outcomes or understand them merely by knowing the characteristics, purposes, and interactions of the system’s units”. He (ibid) distinguishes between “systemic” and “analytic” approaches to explanation. He defines the latter as follows: “[T]he whole is understood by studying its elements… disjoined and understood in their simplicity” (ibid., p. 39). If the object of inquiry has emergent properties arising from the arrangement of its elements, the “analytic” approach cannot generate valuable and correct knowledge about the object, so the “systemic” approach is required to comprehend “system effects” (ibid).

However, this thesis does not argue that, when faced with problems requiring research methods from the "systemic" approach, one should stick to the "analytic" approach. On the contrary, according to analytic eclecticism theory, the "systemic" approach should be adopted for problems wherein the "analytic" approach cannot explain the problem or is less suitable than the "systemic" approach in explaining it. Moreover, because I seek to analyse China's foreign policy from a domestic perspective to contribute to filling this relative blank in the academic research, this study adopts theories relevant to the domestic perspective. In other words, this thesis would select from theories focused on the relationship between international structure and states' actions if it attempted to analyse China's foreign policy change from an international perspective. Furthermore, this thesis's research method belongs to the analytic eclecticism approach, emphasising moving beyond debates between paradigms. This approach suggests adopting the most suitable theories for the problem, just as in physics or mathematics. Because the crucial features of Chinese foreign policy making are the emphasis on domestic political security and pragmatism (Brown, 2016; Khan, 2018), poliheuristic theory is most appropriate for this research. When studying the impacts of ideological factors such as nationalism on foreign policy, theories from the constructivist approach are most suitable. A more detailed explanation of the theoretical framework is provided in Section 3.1. In summary, this thesis adopts poliheuristic and narrative theories together to investigate China's foreign policy change from a domestic perspective.

The analytic eclecticism approach of this thesis demonstrates that flexibly using theories based on specific research objects is achievable under certain circumstances. It thus contributes to the current debate between rationalism and reflectivism by demonstrating the values of the analytic eclecticism approach in practical research.

Thirdly, this research finds that in reality, the survival goal of an organisation can perform as a variable, which contradicts many scholars' assumption that it is a constant (e.g., Mearsheimer, 2001; Tsang, 2020). It uses poliheuristic theory to study China's case, demonstrating that the interpretation of domestic political security threats can influence perceptions of how to preserve the political security of state organisations, thereby

influencing China's change in foreign policy. This could contribute to academic research relevant to security studies, especially Chinese security studies. Moreover, some scholars, such as Friedberg (2018), argue that China's foreign policy has not changed significantly, because decisive factors of Chinese foreign policy, such as the Party's security, remain unchanged. This paper challenges the idea that China's foreign policy has not fundamentally changed simply because the primary goal of preserving domestic political security remains the same.

When the state has a high assessment of its security, it is less sensitive to relative gains (the relative benefits of a country from cooperation in relation to that of other participants) and thus more inclined to engage in economic cooperation; conversely, when it is sensitive to relative gains, it tends to be uncooperative (Liberman, 1996). In other words, although the state's goal of survival remains constant, the specific assessment of survival leads to changes in its diplomatic policy, such as a shift from accepting to rejecting economic cooperation. China's state organisation is established with the Party at its core, and thus the security of the state organisation and the security of the Party are intertwined. Chapter 4 demonstrates that increasing concern about domestic political security in China has led to changes in its foreign policy since 2012/2013; Chapter 5 illustrates that threats to domestic political security are the main motivations behind the OBOR initiative; Chapter 6 shows how China's greater reliance on nationalism to improve its domestic political security contributes to the influence of nationalist narratives on China's territorial policies; and Chapter 7 demonstrates how changing perceptions of the role played by economic development in domestic political security influence changes in Chinese economic foreign policy toward SOEs. In other words, the goal of survival performs as a variable in China's foreign policy decision making. For instance, Chapter 7 argues that the content of China's core national interests can be influenced by interpretation, thereby affecting shifts in foreign policy. In fact, China could tolerate policies that might undermine its regime and domestic political security if these policies, such as the economic liberalisation reform under Deng, are interpreted as beneficial to the long-term regime and domestic political security interests. In other words, depending on the specific interpretation of the regime and domestic political security, China can adopt different foreign policies. This finding challenges the beliefs held by scholars such as Tsang

(2020) that the regime and domestic political security is a constant factor, because it can function as a variable in China's foreign policy making. This thesis also reveals the relationship between the one-party ruling regime's security interest and the other two core national interests (nationalism and economic development), discussing how the regime's security interest has affected changes in the perceptions of the other two interests and how shifting perceptions of these national interests have influenced changes in China's foreign policy since 2013. Moreover, three core interests on foreign policy exert two types of influence: the influence of the factors through their relationship with the regime's security interests and their independent influence on foreign policy. Both types can be observed in the three case studies. The procedure of China's significant foreign policy selection in accordance with core interests can be summarised in that domestic political security is the most important factor, and significant policies perceived as not aligned with protecting domestic political security are abandoned in the first step; in the following step, the government would select foreign policies primarily in accordance with the criteria of maintaining domestic political security, protecting territorial integrity and satisfying nationalism sentiments, and enhancing high-quality economic development.

Additionally, it is problematic to claim that because the primary goal of the state is survival and diplomatic policy is a tool to achieve this goal, then all foreign policy changes of states, including changes from war to peace, are merely tactical changes to serve this goal. It is necessary to differentiate between the survival goal of the state and the various goals of foreign policies. On the one hand, international activity only counts as a part of the whole of the state organisation's activities, because it interacts with external and internal actors. Foreign policies can be used to serve domestic needs and national interests that are not survival interests, such as economic interests. On the other hand, departments related to foreign policy decision making are only part of the whole state organisation system. In other words, the goal of a certain foreign policy could be formulated by relevant departments and thus more represent the interests of some institutions within the state organisation than the interests of the whole state. Thus, while serving the survival and national interests of the state is the primary aim of foreign policies as a whole, various foreign policies can have different and more specific goals than protecting national interests and survival.

Moreover, the statement that because the primary goal of the state is survival and diplomatic policy is a tool to achieve this goal and all foreign policy changes of states are tactical changes ignores the nuanced differences between different foreign policy changes. In other words, there is no strategic or significant change in foreign policy under the perspective that all foreign changes are tactical. If one considers foreign policy as a means employed by the state to ensure its survival, all its changes are changes in the means, and making specific distinctions is not meaningful; however, if one considers foreign policy as the object of study, distinguishing foreign policy changes is meaningful for conducting such research. Furthermore, changes in foreign policy do differ in terms of scale. As observed by Alden and Aran (2017) and Hermann (1990), foreign policy changes can be divided into different levels of significance. Meanwhile, according to the definitions of these scholars, none of the changes they identified imply that the essence of foreign policy in serving the survival and interests of the state organisation has changed. The findings of this thesis suggest that China's foreign policy has undergone a strategic shift as its objectives moved from primarily serving economic interests to achieving national rejuvenation and the "two centenary goals", but this does not mean that the foreign policy goal of serving the survival and national interests has changed.

Thus, the results of this study could contribute to the current academic field on China's foreign policy changes and scholarship on the influence of domestic factors on foreign policies, such as the FPA and neo-classical realism.

Fourthly, Chapter 6 uses thematic analysis to examine the evolution of China's official narrative of the SCS. Mochtak and Turcsanyi (2021, p. 744) state, "While existing literature has increasingly recognised that, in this context, narratives play a crucial role in understanding China's political behaviour, complex and reliable resources that would explicitly identify how narratives emerge, develop, and become dominant in Chinese foreign policy discourse remain scarce". Moreover, nationalism theory and IR theory "have remained divided by a conceptual chasm that few have been willing to bridge" (Brittingham, 2007, p. 148). This investigation demonstrates the relationship between popular nationalist narrative change and mainstream nationalist narrative change, as well as how changes in mainstream nationalist narratives

affect changes in China's SCS policy. This suggests that the reconstruction of the mainstream Chinese nationalist narrative could signal a possible strategic change in China's foreign policy. Whether designed by politicians or caused by the public's true will, such reconstruction could be viewed as a sign of future change. If politicians design this reconstruction, its goal is likely aimed at laying the foundation for a new foreign policy or significant foreign policy shifts; conversely, if it is the public's true will, it demonstrates that the government has lost the ability to manipulate and control the public's opinion, and thus for the considerations of the domestic political security, the government is highly likely to make a foreign policy change in accordance with the public's will. This study thus contributes to the research on the relationship between China's narratives and its diplomatic policies. It also indicates that narrative theory has the potential to bridge Chinese nationalist studies and Chinese foreign policy studies by investigating the relationship between the contents of nationalism and the state's foreign policy.

In summary, the contributions of this thesis are as follows: firstly, it theoretically examines China's foreign policy change from a domestic perspective and thus contributes to the current academic field of China's foreign policy change. Secondly, it innovatively employs poliheuristic and narrative theory together. With these theories, this thesis illustrates the weights of core interests in determining the criteria used by the government to choose among different foreign policy options, as well as how China's foreign policy has changed since 2012/2013. Thirdly, it challenges the prevailing assumption that the survival of an organisation should be treated as a constant in the theoretical framework. The goal of survival, in reality, is achieved through achieving the various goals of different policies. For instance, the goal of preserving energy security can be regarded as aiming to serve the state's survival. Therefore, the practical assessment of the survival goal, such as how secure the state organisation is and how to protect its survival, could affect perceptions of what specific purpose the whole of foreign policies should pursue and how to achieve the objectives and thus influence foreign policy change. Finally, this thesis contributes to the research on the relationship between narrative and Chinese foreign policy. The thesis suggests that a new mainstream Chinese nationalist narrative could indicate a possible future strategic change in China's foreign policy.

Chapter 2 Literature Review

China had undertaken a low-profile policy following the start of the Reform and Opening up; this low-profile policy (*taoguang yanghui*) was aimed at developing China's power while maintaining cooperative and friendly relations with most countries (Economy, 2010). However, in recent years, China's behaviour has appeared more assertive, one example is the growing number of conflicts with Japan in the East China Sea and the Philippines in the South China Sea (SCS) (Christensen, 2011; Friedberg, 2015; Yahuda, 2013).

In political science, there are three levels of analysis: individual, state/domestic, and international (Moravcsik, 1993). International system analysis is exemplified by International Relations (IR) theories, which emphasise the position of a state in the international system and assume that the nation-state is a unified and rational actor that responds to external incentives (ibid). However, it has been noted that IR theories often suffer from an inability to fully explain how a particular country responds to specific international affairs (Hermann, 1990). The state-level analysis focuses on the society, culture, and political organisations of an individual state and emphasises how domestic politics influence foreign policies, while the individual-level study examines the beliefs, fears, and personalities of people in critical institutional positions, especially leaders (Moravcsik, 1993). Foreign Policy Analysis (FPA) mainly relies on the individual and state/domestic levels since it is an agent-centred field of research that focuses on the decision making process (Morin and Paquin, 2018). This chapter reviews theories of foreign policy change, categorising them into two groups: those focusing on international structural parameters (e.g., IR theories) and those focusing on domestic parameters (e.g., individual- and state-level theories).

This chapter first addresses mainstream IR theories of foreign policy change, which are neorealism, neoliberalism, and constructivism (Qin, 2016). Second, it examines theories of foreign policy change in FPA, a field characterised by its pluralism and lack of generalised theories (Hill, 2003). The field of FPA covers theories of rational choice, bureaucratic politics theories, sequential decision making theories, prospect theory, and theories on domestic

factors such as regime type, advocacy groups, and public opinion. Third, the chapter discusses the different explanations that IR and FPA theories offer for China's foreign policy change. Fourth, it reviews existing research on China's foreign policy, including a demonstration of China's decision making mechanism, the practical context of the foreign policy decision apparatus, the existing investigations on domestic factors and China's foreign policy, and a concise review of the concept of national interest.

2.1 International system-level theories of foreign policy change

2.1.1 Neo-realist theories of foreign policy change

According to the structural/neo-realist school, the anarchic nature of the international system leads most states to behave similarly, regardless of their internal attributes or policymakers' intentions (Waltz, 1979). This school holds that the causes of change in international relations are limited to certain structural factors, such as shifts in the balance of power and a country's changed position in the international system (Mearsheimer, 2001). Rapid and significant economic growth is a common cause of shifts in relative power, and the new power disparities among states make them adjust their actions accordingly (Gilpin, 1981).

Theories of structural realism can be divided into those of defensive realism and offensive realism, both of which assume that states are the primary actors in the international system and that their main goal is survival (Mearsheimer, 2001; Waltz, 1979). "Anarchy" in neorealism is understood as meaning that there is no international authority that can provide worldwide order to ensure the security of all states (Waltz, 1979). Neo-realism also posits that states in a similar situation in the global system behave similarly despite their internal differences (ibid). Under an anarchic international system, all countries share the same nature—that of seeking security and power under the principle of self-help—and the only difference among states is their varying degrees of power (ibid). Therefore, from a neo-realist perspective, the main driver of foreign policy change is external pressure.

Theories of defensive realism maintain that states adopt moderate and conservative policies to maintain their security and position in the international system (Waltz, 1979). However, this approach has difficulty explaining significant foreign policy changes. If the character of international relations is such that states always automatically balance rising powers in a defensive way, and the rising power always acts defensively as well, then the balance of power would generally remain unchanged, and thus states would not need to change their foreign policy strategy since the international system would remain largely the same (Schweller, 1996).

Despite this limitation, theories of defensive realism are able to single out four critical causes of change in international anarchy: security dilemmas, elite perceptions and beliefs, competition, and socialisation. A security dilemma arises when a state attempts to protect its security and creates rising insecurity for others, which can lead to adjustment changes (see definition in Chapter 1) in foreign policy aimed at enhancing security; for example, states may incrementally enhance their security strength and continuously renew their weapons (Herz, 1950). The worst scenario is the power competition caused by a security dilemma, which would also lead to foreign policy change (ibid). Elite perceptions and beliefs are also crucial, as misperceptions can exaggerate threats and create misjudgements of another state's intentions, which can lead to policy changes to protect a state's security (Jervis, 1976). The competition and socialisation of states also make foreign policy change possible: as noted by Waltz (1979, p. 118), "if some states do relatively well, others will emulate them or fall by the wayside". Thus, a state can change its foreign policy by learning from other states' progressive actions.

In contrast, theories of offensive realism have been developed by scholars such as Mearsheimer. Drawing on Waltz's (1979) framework, Mearsheimer (2001) puts forward five fundamental assumptions of offensive realism: 1) the anarchic nature of the international system, 2) the possession by great powers of offensive military capability, 3) the inability of states to guarantee one another's intentions, 4) the primary survival goal of every state, and 5) the rationality of states. Mearsheimer (ibid) contends that the uncertainty of state

intentions creates fear among states, leading them to pursue self-help to ensure their security, and argues that all rational states seek to maximise their power because their concerns over survival drive them to adopt offensive policies that grasp every opportunity to increase their power. The only way for a state to ensure its survival is to become a hegemony, which means that it can control others in the international system (ibid). In contrast to theorists of defensive realism, Mearsheimer (ibid) argues that states act in ways that are intrinsically offensive, not defensive.

Mearsheimer (2001) suggests that the balance of power is the main mechanism of foreign policy change and identifies the tragic dilemma of states as arising from the fact that great powers are compelled to compete with each other to become hegemonies to survive. He (ibid) also states that when a rising state has the potential to be a regional hegemony, its neighbours will possibly change their previous policies and engage in a balancing coalition to counterbalance this rising state.

However, Holsti (2016) notes that some scholars have criticised neo-realist frameworks for not acknowledging changes in the international system and failing to explain specific foreign policy choices made by certain states. Alternatively, scholars of neoliberalism and constructivism are able to offer more flexible theoretical models that consider progress in international politics, the influence of globalisation, and the potential for states to change and escape from the tragic outcomes predicted by neo-realists, such as the tragedy of great powers and the Thucydides Trap (e.g., Adler, 1991; Crawford, 1991; Ruggie, 1991).

2.1.2 Neoliberalist theories of foreign policy change

Neoliberalism is an influential paradigm in the field of IR. This approach shares neo-realism's view of the anarchic nature of the international system and posits that all states share the same nature under anarchy (Keohane and Martin, 1995; Keohane and Nye, 2012). However, unlike other IR paradigms, neoliberalism places greater emphasis on the role of international interdependence and international institutions in fostering cooperation between countries

and reducing the likelihood of war and conflict (e.g., Ikenberry, 2011; Keohane and Martin, 1995; Keohane and Nye, 2012).

Neoliberalism argues that modernisation and globalisation make conflicts between states less likely because economic and other forms of interdependence among countries increase the channels connecting societies within different states and create the need for an international division of labour (Keohane and Nye, 2012). In other words, countries are more likely to cooperate with other states to secure mutual benefits and avoid conflicts due to their high interdependence (ibid).

Moreover, when states can jointly benefit from cooperation, they tend to construct transnational institutions to manage their collaboration (Keohane and Martin, 1995). International institutions can reduce conflicts by exchanging information, improving mutual trust between states, facilitating reciprocity, and mitigating revisionism and aggressive policies (ibid). In this sense, international institutions and complex interdependence make states more inclined towards cooperation than conflict.

Two prominent theories within the neoliberalism paradigm are the complex interdependence theory and the neoliberal constitutionalism theory, both of which argue that changes in the international system are the primary drivers of change in states' foreign policy (Keohane and Nye, 2012). Ikenberry (2011) argues that states have become more cooperative and less provocative because the current international system has become more multilateral, interdependent, liberal, open, and rule-based. Modernisation and globalisation have generated mutual dependence between states and between individuals, groups, and societies from different states, making it less likely for states to adopt offensive diplomacies and harm other countries' interests (Foot, 2017). Another reason why economic interdependence has gradually excluded radical hostile foreign policies as a viable option for countries is that economic interdependence enables other states to adopt counter-policy responses easily (Keohane and Nye, 2012). Moreover, the multiple channels that connect

different societies in current international politics have changed the conventional international system, deeply affected foreign policy, and drove changes in the process of foreign policy decision making. For instance, a growing number of countries now have multiple ministries participating in the decision making process for diplomatic matters rather than letting the foreign ministry alone decide foreign policy (Hill, 2003).

Neoliberal institutionalism contends that international institutions that uphold the principles of reciprocity and mutual respect can deter states from adopting aggressive policies and facilitate cooperation when states seek to gain benefits (Keohane and Martin, 1995). An example of the role of international institutions in promoting international security is the reduction of the risk of nuclear war. In the 1960s, the vast majority of states signed the "Treaty on the Non-Proliferation of Nuclear Weapons" and set up the International Atomic Energy Agency to monitor compliance (Stein, 2009). Neoliberal institutionalism claims that the improvement of global security for every state is achieved under international institutional structures jointly created by a number of countries. The fact that international institutions are more vital than ever with the importance of the state declining has prompted a shift in foreign policy in which countries pay more attention to interactions with international organisations (Hill, 2003).

In conclusion, neoliberalism emphasises the role of international institutions and interdependence in shaping the behaviour of states by increasing cooperation and reducing conflicts among them. International institutions that uphold the principles of reciprocity and mutual respect can prevent states from choosing aggressive policies, leading to a cooperative shift in state foreign policy.

2.1.3 Constructivist theories of foreign policy change

Constructivism follows the theoretical premise that international relationships, like all political relationships, are socially constructed (Pouliot, 2004). According to constructivism, the beliefs and ideas that people and leaders hold influence their interpretations of events

and data, thus shaping interstate relations (Onuf, 2002). For example, while neo-realism scholars view anarchy in the international system as an objective reality, constructivists argue that anarchy is a concept that is constructed by states and which, in turn, affects their behaviour: only when states believe that the international system is anarchic will anarchy be able to affect states' behaviour (Wendt, 1999). Thus, interstate relations are not only shaped by objective or material factors but are also influenced to a considerable degree by subjective factors. Constructivist theories can be divided into thin and thick constructivism: thin (or mainstream) constructivism pays more attention to material factors and causal logic than thick constructivism, while thick constructivism assigns greater value to the power of rhetoric and ideational factors and the constitutive relationship (Peltonen, 2017). A causal relationship is one in which the change in independent variables leads to a change in dependent variables under specific circumstances, and the influence is in a single direction. On the contrary, the constitutive relationship is one in which objects in this relationship mutually influence one another (Peltonen, 2017).

Constructivism places great emphasis on the social construction of international politics (Barkin, 2003) and recognises the importance of a state's unique culture and identity (Wendt, 1999), and as such, it can be viewed as a middle-ground theory between system-level theory and state-level theory. While Wendt (1999) claims that constructivism primarily focuses on how those ideational structures that are shaped through international interaction affect foreign policy, constructivists acknowledge that different states have distinct domestic ideational structures (Katzenstein, 1996). Thus, in this thesis, constructivism is categorised as an international-level theory. However, this thesis treats constructivist theories that emphasise the distinct ideational structure of a state as middle-level theories.

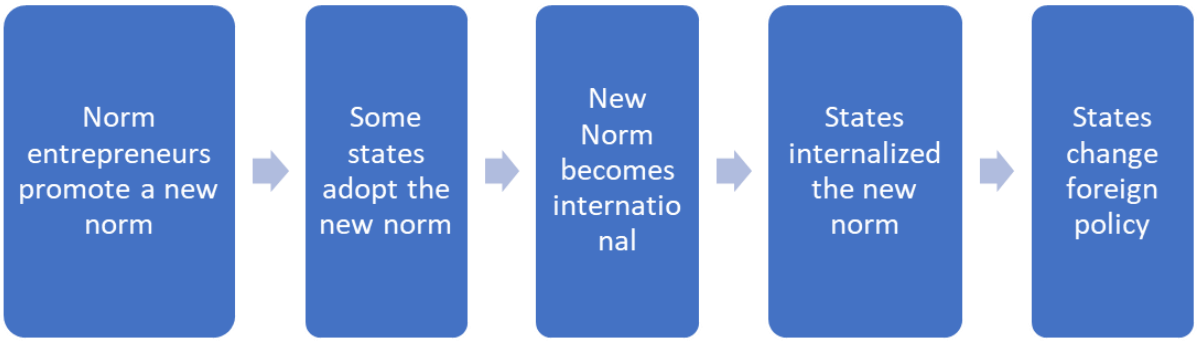
The three most important subjective factors in constructivism are identities, strategic cultures, and norms (Katzenstein, 1996). State identities, which can affect the definition of national interests, have a constitutive effect on foreign policy decisions (Pouliot, 2004). Wendt (1999, p. 224) defines identity as a subjective "property of intentional actors that generates motivational and behavioural dispositions", which is rooted in the "self-understandings" of a

state, and posits that the same state may have numerous identities, including different roles (ibid). The notion of strategic cultures refers to sets of beliefs about the fundamental features of international politics and the best ways to interact with other actors under the international system, which can affect states' behaviour, their understanding of national interest, and their identities (Katzenstein, 1996). However, due to the entrenched nature of culture in social activities, political culture has traditionally been viewed as a factor promoting continuity rather than leading to a change in foreign policy (Duffield, 1999). Finally, norms are beliefs about what is efficacious, right, or appropriate in the international realm in general, and these can be either regulative or constitutive. Regulative norms constrain behaviour and guide states in making the right decisions, while constitutive norms create new actors (such as international institutions), interests, or regulations for actions (Finnemore and Sikkink, 1998).

According to constructivism, these subjective factors influence diplomacy in multiple ways, such as by serving as a rationale and justification for foreign policies, shaping legitimacy, affecting preferences, improving the costs of a policy in contradiction with current beliefs, norms, and identities, and influencing the interpretation of policy outcomes (Brittingham, 2007; Saideman, 2002; Telhami and Barnett, 2002; Wendt, 1994). While identities, strategic cultures, and norms tend to be highly resistant to change due to their strong ties to shared historical experiences (Katzenstein, 1996), constructivists identify three long-term mechanisms of foreign policy change. The first type of mechanism involves a change in norms, the second involves the creation of an "Enemy Other", which constructs one or more countries as the "Other" that is different from "Us", and the third is through narratives. The mechanism of foreign policy change, according to thin constructivism, is through interaction with others. In this process, new information and ideas can displace old norms, leading to foreign policy changes (e.g., Finnemore, 1996). The first and second types belong to this category. The thick constructivist model of foreign policy change, on the other hand, posits that a change in the specific narratives of a country's self-identification can lead to a foreign policy change by creating new entities, strategic cultures, frames, and norms (Barnett, 1999). Thus, this theoretical model can be classified as a middle-level theory.

First, Finnemore and Sikkink's (1998) norm life cycle model suggests that interstate interactions can help distribute new ideas that can aid the displacement of old conceptions. In this model, norms are understood as beliefs about what is right, efficacious, or appropriate in the international society (ibid). The first stage of the norm life cycle is when "norm entrepreneurs", actors who are dissatisfied with the current norm, advocate new norms. Once a number of states adopt these new norms, the pressure for conformity, the desire to enhance state legitimacy, and the aspirations of state leaders to enhance their self-esteem will lead more countries to embrace them. At the final stage, norms are no longer issues requiring broad public debate around the world but have become internalised, and the majority of states change their policies in line with these new norms (ibid). Figure 2.1 illustrates this norm life cycle model.

Figure 2.1 The normative life cycle model



(Finnemore and Sikkink, 1998)

The second mechanism for foreign policy change is through a change in state identity. Mercer (1995) and Campbell (1998) argue that the existence of a "Self" identity relies on the existence of an "Other", and hence the mechanism of identity construction involves states creating an enemy "Other" in order to constitute their own state identity. By comparing themselves favourably to other states, states boost their self-esteem and adopt more negative perceptions of other states (Mercer, 1995). This comparing process leads to an "in-group bias" that can provide a "cognitive resource" for aggressive behaviours towards other states that are regarded as enemy "Other" (ibid). For instance, Turner (2016) points out that the rebalance strategy of the United States (US), which focuses on China rather than India, can be

viewed as a result of the US's construction of "Self" and "Other". In 2011, the US implemented a new strategy, Pivot to Asia, later renamed Rebalance to the Asia Pacific. The US perceives China as a more severe threat than India because China poses more challenges to the US's ontological security (Turner, 2016). China is "communist", "anti-democratic", and "authoritarian" (ibid). Thus, from the US's perspective, China (but not India) is an "ontological antagonist" to the "American Self" (ibid). Campbell (1998) argues that the US justifies its existence though the usage of the "discourse of danger", inventing or overstating threats to construct an "us" and distinguish it from a "them". Through these in-group/out-group dynamics, group self-esteem is bolstered, and a new "Self" identity is constituted through interactions with other states (Mercer, 1995; Campbell, 1998). States behave in accordance with this new identity, and the identity change leads to a change in foreign policy.

The third kind of mechanism for foreign policy change is through narratives. The concept of the narrative captures the ways in which individuals and groups organise historical events into a story that offers a collective understanding of how to comprehend and interpret the state's past, which thus situates the present and suggests actions toward the future (Barnett, 1999). For instance, according to Zhao (2004), there is a strong narrative of China as a "victim" nation that must wipe out this disgrace to achieve national salvation and rejuvenation in Chinese popular nationalism. Narratives can affect foreign policy change by constructing either a new identity or a new framework for understanding foreign policy. Barnett (1999) notes the vital role narratives play in symbolically shaping understandings of the past, present, and future, emphasising the significance of interpretations of historical experiences in forming a state's self-recognition and offering guidance for the future. If political discourse is understood as the texts and talk of all participants in the political process, such narratives represent a form of political discourse (van Dijk, 1997). Moreover, narrative theory focuses more on the constitutive relationship between narrative and foreign policy than the causal logic behind why changes in one lead to changes in the other.

Narratives of national identity subjectively link identity to a particular construction of the past (Miskimmon, O'loughlin, and Roselle, 2014; Somers, 1994; Subotic, 2016; Turner, 2022).

According to scholars like Subotic (2013) and Turner (2022), national identity change can lead to foreign policy change via a new interpretation of national interest. In other words, the ontological narratives of a state structure its self-image and create a framework for understanding the collective interests of this state, and the interpretation of national interests influences foreign policy decisions. Furthermore, political entrepreneurs can design strategic actions to rewrite the cultural landscape or influence the narrative to create new identities and frames to legitimise foreign policy change (Barnett, 1999).

In the process of a new identity narrative emerging, different narratives that are constructed and prompted by different political groups not only compete but sometimes merge with one another to challenge or become the mainstream narrative (Subotic, 2016), and hence the mainstream narrative tends to consist of several small constituent narratives. At the same time, the mainstream narrative also changes to face challenges from other narratives or to cope with shifts in the domestic and international environment (Barnett, 1999). Furthermore, according to Berenskoetter (2014, p.280), a grand narrative, is usually "vague to exist alongside more specific, derivative narratives" that can co-exist or merge with one another, and these specific narratives "can be strategically employed without hurting the coherence of the basic discourse".

Different actors will construct narratives by connecting various events in different ways with different emphases (Barnett, 1999). Actors can also create narratives by activating certain elements within the mainstream narrative framework while deactivating others (Subotic, 2016). A new mainstream narrative could thus be a modified version of the previous narrative in which certain elements are emphasised and others are de-emphasised (ibid).

The narrative mechanism of foreign policy can be summarised as follows: after a new narrative prompted by an advocacy group either replaces or merges with the previous mainstream narrative, a new mainstream narrative emerges, or the previous mainstream narrative changes, which paves the way for foreign policy change (Barnett, 1999; Subotic,

2016). Nevertheless, in this process, as Subotic (2016) emphasises, change in the story of this state does not equal change in the state's identity because the grand narrative is vague. For instance, just because Serbia accepted Kosovo's independence does not mean the state identity of Serbia changed (ibid). However, even though national identity change does not always occur in the narrative mechanism of foreign policy change, the phenomenon that the shift in narratives of national identity leads to identity change—and thus influences foreign policy—still exists.

Furthermore, in this process, political groups construct narratives of national identification based on their perspectives on national roles, affiliations with other states, the relationship between territory and people, and ethnic and state histories (Lebow, 2016). Such perspectives are also known as "frames". In other words, frames can be defined as "specific metaphors, symbolic representations, and cognitive cues to render or cast behaviour and events in an evaluative mode and to suggest alternative modes of action" (Barnett, 1999, p. 15). Based on underlying structures of beliefs, values, and experiences, frames are cognitive shortcuts that enable people to quickly comprehend complicated issues (Barnett, 1999). Frames can also be used to suggest alternative modes of foreign policy (ibid), and a particular narrative can become a frame to provide guidance for the future in a simplified and linear way (Subotic, 2016). According to Subotic (2016), this particular type of narrative is usually a large narrative consisting of multiple individual narratives and is used unreflectively and subconsciously in realpolitik. This type of narrative usually includes significant events in a state's history and has a simple plotline (ibid). Additionally, the relationship between narrative change and foreign policy change is constructive, not causal.

Although the framework of narrative theory allows analysts to examine domestic factors within a constructivist perspective, due to its thick constructivist nature, it is difficult to use narrative theory to identify causal relationships. At the same time, this theory is helpful in explaining how domestic ideational factors influence foreign policy change.

While constructivism facilitates a connection between the mainstream IR theories that focus on the international system and the FPA theories that focus on domestic factors (Kaarbo, 2015), mainstream constructivism tends to highlight interactions between states and neglects domestic social factors, which fails to explain the whole process of identity shift concerning foreign policy change (Wight, 1999). Finnemore and Sikkink (1998) also argue that domestic factors should be considered more when explaining the change in norms and identity.

2.1.4 Summary

Pure systematic theories, as exemplified by neo-realism, have been criticised for the limitations in that they typically exclude domestic politics from their theoretical models, assuming that states are rational actors that have certain preferences and can mobilise domestic resources without restrictions (Moravcsik, 1993). Whether these international system factors alone are sufficient to explain international affairs is questionable because the domestic factors excluded, such as party politics, can be highly relevant to international politics.

According to Wolfers (1962), while international system theories emphasise the common attributes shared by states, the importance of particular attributes in each state's value system may well vary from state to state. Moravcsik (1993) also states that all major international-level theories are indeterminate about the main characteristics shared by all states, even though these characteristics are necessary to justify eliminating domestic politics from their models. Kirshner (2012) points out that states are even less predictable than international system theories assume in the pursuit of survival because great powers normally have more latitude for foreign policy choices.

States typically pursue a diverse array of goals, which makes it challenging to identify the common attributes shared by all states (Kirshner, 2012). The limitations of systematic analysis in foreign policy and international relations are rooted in their tendency to regard the attributes of states as stable constants. When applying international-system theories, it is

essential to acknowledge that states, particularly major powers such as China, have significant discretion regarding the extent to which they are willing to pursue their goals and the approach they will select to achieve them (Kirshner, 2012). It is, therefore, impossible to understand and anticipate the changing diplomacy of great states by looking solely at structural theories (ibid). Furthermore, the notion of state rationality in systematic theory is disputed: a state's principles, identity, interest groups, or values can interfere with rational decision making (Lumsdaine, 1996). International-level theories oversimplify the definition of rationality and assume that states act in a self-interested and calculating manner, which cannot explain seemingly irrational changes in state foreign policies (ibid).

Against this background, neo-classical realism attempts to add domestic factors as an intervening variable to structural realism to develop the realism paradigm but also faces criticism for this (Gotz, 2021; Ripsman, 2017). According to Ripsman (2017, p. 1), "[N]eoclassical realists argue that states respond in large part to the constraints and opportunities of the international system when they conduct their foreign and security policies, but that their responses are shaped by unit-level factors such as state-society relations, the nature of their domestic political regimes, strategic culture, and leader perceptions". In other words, neo-classical realism combines international structural variables with domestic factors as intervening variables to explain international politics and state behaviours. For instance, neo-classical realism's works include Wohlforth's (1993) research, which introduces the variable of the "state's perception" into the theoretical models of the realist approach. Zakaria (1998) also argues that power does not always automatically translate into power; thus, he examines the influence of the variable of "state mobilisation and extractive capacity".

One advantage of neo-classical realism in comparison with structural realism is arguably that it incorporates domestic factors as intervening variables and thus can explain international issues that structural realism cannot (Meibauer et al., 2021; Ripsman, 2017). However, many critiques of neo-classical realism focus on the inclusion of domestic factors. For example, Legro and Moravcsik (1999) criticise neo-classical realism for not focusing on the international

system and including too many variables. Walt (2002, p. 211) criticises neo-classical realism as tending "to incorporate domestic variables in an ad hoc manner, and its proponents have yet to identify when these variables have greater or lesser influence". Moreover, because it includes the domestic variables, this theory "has given up generality and predictive power in an attempt to gain descriptive accuracy and policy relevance" (ibid., p. 211).

Nevertheless, treating domestic factors as less important may result in neo-classical realism having less comparative advantage over the FPA approach in explaining the influence of domestic factors on foreign policy decisions. In other words, if the domestic factor is the case's primary cause or the study's main research object, the neo-classical realism, which includes international system factors and domestic factors, could be less parsimonious than the FPA theory, which only focuses on domestic factors.

Moreover, among mainstream international relations theories, constructivism makes a unique contribution to foreign policy studies by bridging the internal and external dimensions, particularly through its conceptions of state identity (Vucetic, 2017). However, a common hypothesis in constructivism still regards the state as the agent and the international system as the agency. Nevertheless, foreign policy can be influenced by specific groups of politicians situated in specific locations of the state system (Wight, 1999). Although constructivism focuses on states' unique identity and culture, few studies investigate how domestic factors affect states' identity and narrative formation (Finnemore and Sikkink, 1998). The mechanisms of foreign policy change identified by mainstream constructivism still need to pay more attention to domestic factors.

Domestic factors are closely related to foreign policy decisions and international affairs (Leeds and Mattes, 2022; Milner, 1997) and are, therefore, essential for comprehending foreign policy change. However, there has been limited research into China's diplomatic changes that address the role of domestic factors in influencing the country's foreign policy decisions (He and Feng, 2013; Liao, 2016). Thus, this thesis sets out to analyse China's foreign policy changes

since 2013 from a domestic perspective. The following section reviews the state-level theories of foreign policy change.

2.2 State-level theories of foreign policy change

FPA is a subfield of IR that mainly focuses on the decision making processes of foreign policies (Kaarbo, 2015). According to Morin and Paquin (2018), FPA distinguishes itself from mainstream IR theories by emphasising bottom-up and actor-centred analyses that feature the influence of actors on the system. The emphasis on the domestic level is a critical factor that has caused a disconnection between IR and FPA since the 1980s, as mainstream IR became more focused on the international system (Kaarbo, 2015). Moreover, FPA is characterised by pluralism and a lack of generalised theories, as it focuses on particular units of analysis, such as sectors in the national system or the unique features of a country (Hill, 2003).

Because there are many different FPA theories, it is impossible to address all of them here, so this chapter examines a representative selection of FPA theories. It first reviews the two fundamental types of theories in FPA, rational choice theories and bureaucratic politics theories (Alden and Aran, 2017), before discussing sequential foreign policy decision theories. This is followed by a brief overview of prospect theory, it is included here because it is one of the most significant psychological theories in FPA (Alden and Aran, 2017).

This section also introduces theories regarding the domestic factors relevant to foreign policy change, reviewing the literature on the effect of internal structure and agents on foreign policy change. Given the multitude of theories, this thesis cannot provide a comprehensive review but will instead highlight the most salient and relevant ones. Blavoukos and Bourantonis (2017) claim that the change-inducing domestic parameters can be clustered into two groups: the domestic political and institutional setting, which focuses mainly on the social-political structures of the foreign policy making process, and the group of domestic agents, such as the advocacy groups, that adhere to and push forward an alternative foreign

policy. The domestic agents can be viewed as the collective groups or internal organisations that can exert influence over state institutions and the outcomes of the foreign policy making process (ibid). The domestic political and institutional setting theories include the regime theory, the state-type theory, and the public opinion theory. The agent theories include the veto player theory and the advocacy group theory.

2.2.1 Rational choice theories

Traditional mainstream rational choice theory, known as the expected utility theory, assumes that a state chooses the best decision from available alternatives based on cost-benefit analysis. A state first identifies and prioritises its foreign policy goals, then lists all the possible means available to achieve that aim, and finally chooses the policy that fulfils the most objectives with the lowest cost (Bueno de Mesquita and Lalman, 1994).

This model has faced criticism because of its understanding of "rationality". First, listing all possible means is unrealistic (Hill, 2003). The bounded rationality model is a development of expected utility theory. This theory holds that states act rationally in the context of partial information, limited time and resources, and other limitations placed on decisions (Hill, 2003). Thus, rather than spending plenty of time figuring out the best foreign policy, leaders tend to accept a satisfactory solution that meets important criteria, such as national interests, budget, and diplomatic goals (ibid).

Second, the assumption of a rational decision making procedure is problematic. Ardanaz, Murillo, and Pinto (2013) and Kahneman and Tversky (1979) argue that individuals are subject to framing effects, which means that the way a problem or choice is presented influences decision making. Intending to build a more realistic model of human decision making, some FPA scholars have borrowed ideas from psychology to create a cognitive approach to foreign policy decision making, which contrasts with the expected utility theory that assumes people make decisions rationally (Mintz and Chatagnier, 2020).

Mintz's poliheuristic theory is a recent innovative contribution to the rational choice theories that incorporate psychological factors (Alden and Aaron, 2017) and attempts to transcend the debate between cognitive and rationalist approaches in explaining foreign policy decisions (Mintz and Chatagnier, 2020). According to Mintz *et al.* (1997), "poliheuristic" refers to the cognitive mechanism policymakers use to simplify complex policy decisions and complicated events. The "heuristic" in "poliheuristic" refers to cognitive shortcuts, and "poly" refers to "many" (Mintz and Chatagnier, 2020). As cognitive shortcuts, heuristics allow policymakers to solve problems and make judgments efficiently by simplifying the complicated international environment and complex tasks (Mintz, Redd, and Tal-Shir, 2017).

Poliheuristic theory proposes that foreign policy decision making consists of two separate stages (Mintz, 2004). The first stage generates non-compensatory choices that cannot be abandoned or replaced in terms of trade-offs in practical terms (Mintz, Redd, and Tal-Shir, 2017). Non-rational and cognitive factors dominate this stage, and choices are profoundly influenced by domestic politics (Mintz, 2004). For example, any option that may threaten the government's survival is unacceptable; thus, the costs and risks of abandoning this option do not need to be rationally calculated. Once actions that are not politically palatable or attainable are discarded, the policymakers enter the second stage of decision making (Mintz, 2004). The second stage resembles the conventional rational choice approach, which states that foreign policy decisions are driven primarily by a search for utility maximisation (ibid). This stage is also influenced by what Mintz calls the "lexicographic decision rule" (ibid). The principle of lexicographic decision making is that an option is deemed superior to another alternative when it surpasses the other in the most crucial criterion that distinguishes the two, even though it may be inferior to the other in other less critical attributes (Şimşek, 2020). For instance, if the quality is deemed more significant than the cost, no disparity in price can serve as compensation for a deficiency in quality; therefore, consumers who follow the lexicographic decision making principle will choose the alternative with the highest quality, regardless of its cost (ibid). Mintz's theory represents a significant breakthrough in synthesising different approaches and developing a model to describe the decision making stage in the foreign policy change process (Blavoukos and Bourantonis, 2017). Mintz and Chatagnier (2020) claims that poliheuristic theory offers a dynamic two-stage framework that

enables it to cover the diverse influential variables observed in the process of foreign policy decision making. Furthermore, combining the cognitive and rational choice approaches together enables poliheuristic theory to effectively overcome the constraints associated with each approach (ibid).

2.2.2 Bureaucratic politics theories

Allison (1971) notes that there are three primary models in FPA: the rational actor model, which aligns with the rational choice theories discussed earlier; the governmental bargaining model (bureaucratic politics model); and the organisational process model. Few researchers have used the organisational process model in their research recently (Jones, 2010), and this model has gradually merged with bureaucratic political theories (Welch, 1992). In contrast to the assumption made by rational choice theories that a unified and rational actor dominates the policy decision making process, bureaucratic politics theories claim that the foreign policy making process is characterised by fragmentation and that various institutional participants jointly participate in the policy making process (Allison, 1971). In other words, researchers need to understand the incentives behind the various participants in foreign policy decision making and the specific internal processes for foreign policy formulation (Brummer, 2013). The selection of diplomacy by decisionmakers is not based on a shared set of strategic objectives but rather on the varying perceptions of national security and interests held by individual policymakers (Allison, 1971). Hence, the decision making process of a foreign policy encompasses various actors with different interests, and these actors hold their own perceptions of the content and goals of this foreign policy (ibid). The process of foreign policy decision making is that these different actors engage in negotiations to reach a mutually agreeable option for all participants (Allison, 1971; Brummer, 2013).

The bureaucratic political model has been criticised for ignoring cognitive factors (Alden and Aran, 2017). In response to such critiques, Brummer (2013) proposed a new bureaucratic political model in which every actor rejects the options that are deemed unacceptable to them in the first stage. In the second stage, the political actors enter the bargaining phase with only the acceptable options for the trade-off process, which will often result in a

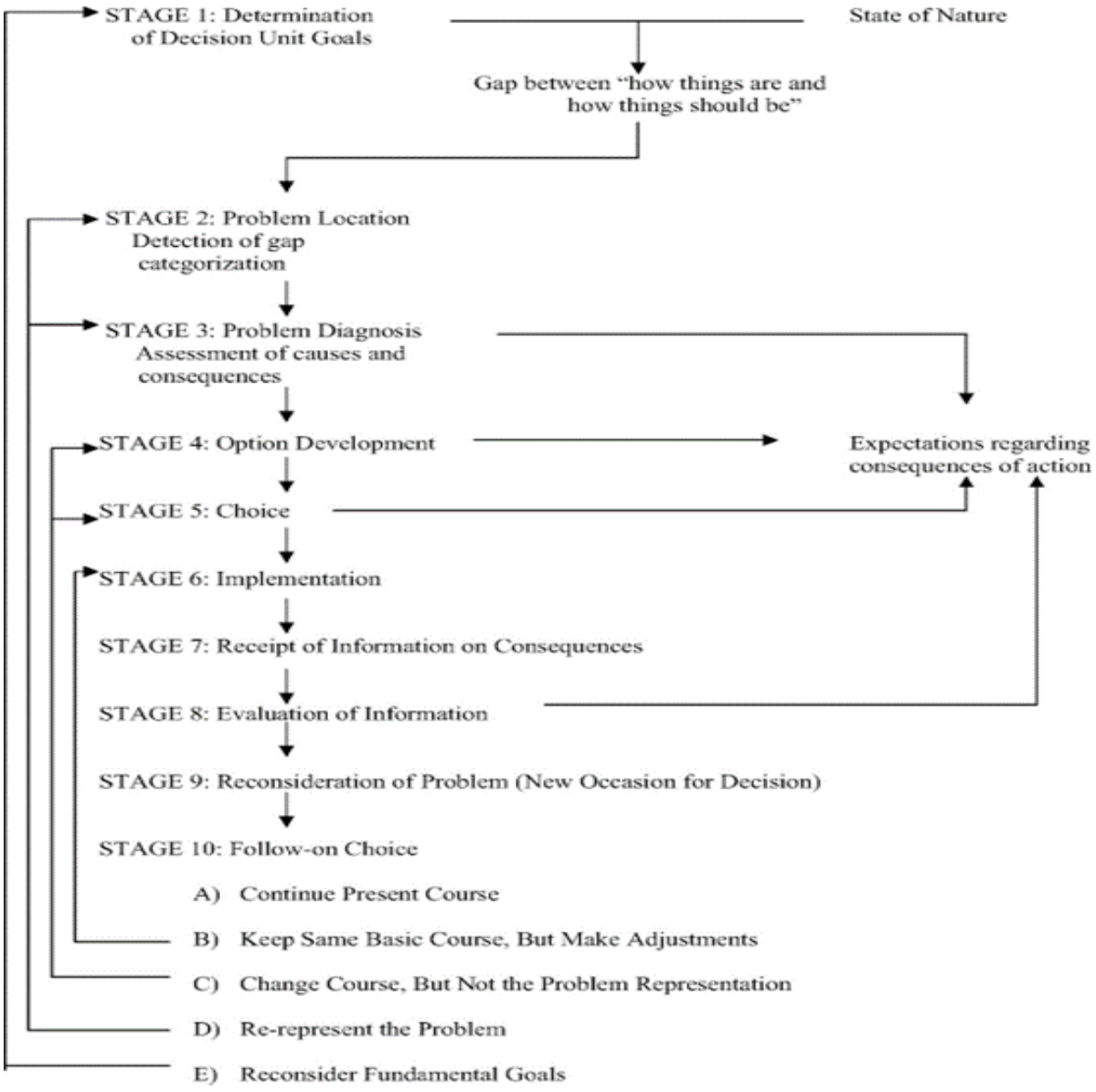
compromise decision that may not match any of the options initially favoured by the respective actors (ibid).

Bureaucratic politics theory can be applied to explain the seemingly irrational behaviour of states and complex organisations (Brummer, 2013). However, in relation to foreign policy change, the bureaucratic system is usually viewed as a source of institutional resistance to change (Hermann, 1990). Foreign policy goal change is only achievable when there are many powerful bureaucratic institutions consistently advocating a reorientation of a foreign policy goal; however, this is difficult to achieve because institutions usually have different and contradictory interests, which impedes their ability to reach an agreement (ibid).

2.2.3 Sequential decision making

Most significant foreign policy problems are complex and persistent, often requiring policymakers to revise the policy to cope with a major diplomatic problem multiple times before a resolution is achieved (Billings and Hermann, 1998; Ozkececi-Taner, 2006). Hermann's (1990) article represents a pioneering effort to examine sequential foreign policy making (Ozkececi-Taner, 2006). Drawing on Hermann's (1990) research, Billings and Hermann's (1998) model of the sequential decision making process took a further step in this direction. Billings and Hermann claimed that the sequential foreign policy decision making process consists of 10 different yet interrelated stages: determination of decision units, problem location, problem diagnosis, option development, policy choice, policy implementation, receipt of information/feedback, evaluation of information/feedback, reconsideration of the problem, and follow-on choice (see Figure 2.2). Moreover, numerous decision making theories, such as traditional rational choice theory and bureaucratic politics theory introduced above, focus particularly on the first five stages, from "determination of decision" to "choice" (Ozkececi-Taner, 2006). However, these theories pay insufficient attention to historical experience and a government's ability to learn from its past actions. For instance, Khong (1992) demonstrates that leaders can reference the past when making foreign policy decisions, which can profoundly affect the decision making process. Sequential decision making theory is thus an effort by FPA scholars to fill this gap.

Figure 2.2 The key stages in sequential decision making



(Billings and Hermann 1998, p.57)

The last five stages in Figure 2.2, from "implementation" to "follow-on choice", are crucial for understanding sequential foreign policy making and foreign policy change (Billings and Hermann, 1998; Ozkececi-Taner, 2006). For example, the received information on previous foreign policy and the feedback evaluation may cause policymakers to reconsider the previous foreign policy. The reconsideration could lead to the following results: continuing with the present foreign policy, making minor adjustments, changing the course of action but not reconsidering the problem the present policy aims to solve, reconsidering the problem,

reconsidering the fundamental goal of this foreign policy or the goal of the state (Billings and Hermann, 1998). Beasley *et al.* (2001) found that changing a successful foreign policy would only occur when the policymakers needed to reallocate resources to other tasks, while failed actions would prompt policymakers to consider alternative options or give up the goal of the failed foreign policy. The influence of the feedback of a foreign policy is also contingent upon how much policymakers depend on the gathered information of previous policies to make decisions and the way they cope with criticism (ibid).

2.2.4 Prospect Theory

The main premise of prospect theory is that when foreign policy decisionmakers perceive a favourable environment and a profitable prospect, they tend to avoid risks and keep their current foreign policies (Welch, 2005). Conversely, when decisionmakers perceive a prospect of loss, they become risk-takers and are inclined to engage in high-risk behaviour to pursue gains (ibid). Prospect theory is a personal-level theory, but this theory can offer a worldwide generalised explanation rather than a country- or area-specific explanation, making it suitable for analysing worldwide leaders' foreign policy choices (Welch, 2005).

Welch (2005) claims that leaders are most likely to change foreign policy when they expect the current situation to result in continued painful losses: the clearest signals of imminent change are the state's experience of misery and hopelessness. Thus, a shift towards an "expansionist" foreign policy orientation could be a response to a state's pessimistic prospects (ibid). Leaders could pursue a radical reorientation of foreign policy rather than incremental change due to fear of significant loss (ibid). Welch (ibid) asserts that human agency should be the only object of analysis. He (ibid) sees the international system as quite static, so a broad theory of change that grasps the necessary characteristics of international politics is sufficient, and theories of state characteristics are not necessary. However, this emphasis on individual agents and an insufficient focus on domestic and international politics have prevented prospect theory from becoming one of the foundational theories of FPA literature (Alden and Aran, 2017).

2.2.5 FPA theories of domestic factors in foreign policy change

According to Tsebelis (1995), a political system's capacity for change usually decreases when there is an increase in the number of veto players, or participants whose support and agreement are necessary for foreign policy decision making. When there are few or no veto players who oppose a new foreign policy proposal, it is easier to pass the proposal (Oppermann and Brummer, 2017). Furthermore, it is crucial for the decision unit to have autonomy and insulation from political dependency in order to achieve foreign policy change (Tsebelis, 1995). For example, foreign policy change is more likely to occur in a democratic regime when one party is in power and the prime minister dominates the process of foreign policy decision making (Oppermann and Brummer, 2017).

The domestic political and institutional cluster of foreign policy change-inducing parameters also includes other variables, such as political regimes and state types. Stanger (1995) argues that incumbent caretaker regimes tend to continue the foreign policy of their predecessors, while revolutionary-provisional regimes typically adopt a new diplomatic approach to signal a break with the past, and power-sharing interim governments that consist of both old and new elites are less likely to enact significant foreign policy changes (ibid).

Alden and Aran (2017) discuss the relationship between foreign policy and state type and identify three types of states: institutional states, quasi-states, and clustered states. Institutional states are those normally identified as modern states: they are the closest in form to nation-state actors as understood in rationalist IR and FPA theories. Institutional states' foreign policy largely relies on the tools that accompanied the rise of the modern state, such as modern diplomacy (e.g., ambassadors and embassies), the use of modern military force, economic diplomacy (e.g., consolidating inter-state relations or imposing sanctions), and power balancing strategies (Alden and Aaron, 2017). Quasi-states are usually previous colonies with fragmented, incomplete, and inefficient institutions (ibid). Because regime legitimacy plays a significant role in their survival, quasi-states are more susceptible to domestic pressures in their foreign policy decisions than clustered states. Generally, the clustered states are the Western states interconnected through multiple and complex

transnational institutions, where foreign policy change is often driven by systemic shifts and the effects of globalisation (Alden and Aaron, 2017).

The relationship between foreign policy and public opinion is complex and remains an ongoing debate (Hudson and Day, 2020). Foreign policy issues often do not receive much attention from the public, as economic, health, and education issues are generally more important for most people (Hill, 2003; Hudson and Day, 2020). However, foreign policy can become electorally significant at certain times, as was the case with the US's participation in the Vietnam War in the 1960s-1970s and the US's war on terrorism in the 2000s (Hill, 2003). The causal relationship between foreign policy and public opinion remains unclear: for instance, whether leaders can manipulate public opinion to obtain support for their foreign policy or whether it is public opinion that forces leaders to implement foreign policy to earn public support (Canes-Wrone, Howell, and Lewis, 2008). Some scholars, such as Baum and Potter (2015), hold that public opinion plays a crucial role in shaping domestic political debate on foreign policy decisions. For instance, foreign policymakers often moan about the "CNN effect", meaning that the public's attention is quickly drawn to foreign crises, leaving a short time for leaders to make decisions (Hill, 2003). Knecht and Weatherford (2006) conducted a longitudinal analysis of public opinion and the US's foreign policy and found that in situations that the public perceives as crises, the public usually supports the initial decision of the government but may later express increasing disapproval of the decision's implementation. For situations not perceived as crises, the public may be largely inattentive to the implementation of foreign policies aimed at dealing with these issues (ibid).

Agents advocating alternative foreign policies can be called "advocacy groups" (Blavoukos and Bourantonis, 2017), of which there are three types. The first type is made up of social actors with collective identities and norms, and this group offers an alternative to mainstream identities and norms (ibid). This type of group can potentially facilitate significant shifts in foreign policy by advocating for alternative political cultures and norms as substitutes for prevailing ones. The second group comprises individuals who are socially or economically influential. This group has the capacity to enable foreign policy changes by advocating their

own preferences for foreign policies. The third kind of advocacy group can be named as the policy entrepreneurs, as these people possess specific preferences for a new foreign policy and strategically use their social or political standing and influence to promote changes when there are opportunities. In general, when an advocacy group gain increased strength and prominence inside its country, there is a higher likelihood that the foreign policy this group advocates will supersede the prior one (Blavoukos and Bourantonis, 2017).

2.2.6 Summary

It is necessary to conduct more investigations of the underlying reasons that facilitate substantial foreign policy changes for the further development of FPA (Hermann, 1990; Alden and Aran, 2017). FPA's promise to provide a more profound explanation of international politics is undermined by its inadequate ability to explain foreign policy change (Alden and Aran, 2017). Foreign policy change is a critical aspect of international politics, as changes by one state, especially a major power, can have significant implications for other states' behaviour. Therefore, a profound comprehension of foreign policy change mechanisms is necessary for the development of FPA. Another flaw of FPA is that its analytical models are mainly developed on the basis of American diplomatic practises, and numerous FPA studies on foreign policy are centred on US foreign policy (Zhang, 2016). Hermann (2001, p. 49) recognises that the "US bias in the decision making literature" has "made it difficult to generalise to other countries and has given researchers blind spots regarding how decisions are made in governments and cultures not like the American".

Moreover, compared to IR studies, there are not enough explanations of Chinese foreign policy within the field of FPA. While there is research that emphasises the idiosyncratic features of Chinese foreign policy, most of it falls under the area studies approach, a traditional approach to Chinese foreign policy research mainly based on fieldwork, observation, interviews, and personal networks, which means it tends to be more analytical and practical but not sufficiently theoretical (Feng and He, 2020). From a historical perspective, scholarly inquiry into China's foreign policy originated in the field of Sinology, which emphasises the uniqueness of China (Zhang, 2016). As a multi-disciplinary approach,

area studies shares many similarities with FPA since it tends to focus on the foreign policy of an individual state and demonstrate the links between diplomacy and domestic society (Hill, 2003). In other words, area studies, like many FPA theories, focusing on the unique features of a specific state and emphasises domestic influences on foreign policy decisions.

As for operational code theory, even though it is a representative FPA psychological approach, it is not included in this review because its validity in explaining the recent change in China's foreign policy is dubious. For instance, there is a contradiction between He and Feng's (2013) prediction that China was likely to maintain the current policy under Xi's leadership and the reality that China has become more aggressive in the SCS. Their (ibid) prediction is based on the operational code theory, which uses leaders' belief systems to explain foreign policy decisions. The feasibility of applying the operational code theory to explain Chinese foreign policy is arguable because it is hard to evaluate Xi's psychological characteristics without having direct access to his personal documents. Comparative foreign policy, although is one of the most representative middle-range theories, is also excluded from this chapter because it has made no significant progress in recent years in its goal of building a cross-national and multi-level theory of foreign policy that can withstand rigorous empirical testing (Hudson, 2005).

2.3 IR and FPA explanations of China's foreign policy change

2.3.1 IR theories on China's foreign policy change

The three main IR theories commonly used in analysing China's foreign policy are neo-realism, neoliberalism, and constructivism (He and Feng, 2013). The main point of the neo-realist literature on China's foreign policy transformation can be summarised as follows: due to its increasing power and rising international status, China has changed its foreign policy and become more aggressive (ibid). From the neo-realist perspective, external pressure is the main driver of China's foreign policy change. Offensive realists, such as Mearsheimer (2006), have long predicted that China would abandon its policy of peaceful rise and adopt a more offensive and revisionist policy in order to ensure its security; while defensive realists, such

as Glaser (2011) and Ross (2020), have made the more optimistic prediction that China's rise will not necessarily lead to war between the US and China.

According to Mearsheimer (2006), the offensive shift in China's foreign policy is unavoidable. This shift is a result of the fact that China cannot assure its security under the anarchic conditions of the international order, so its most rational survival strategy is to adopt an offensive and revisionist policy to achieve hegemony (ibid). Under circumstances in which China cannot ascertain the intentions of its neighbours with military power that could threaten China's security, the abandonment of the foreign policy of peaceful rise is inevitable (ibid). Defensive realism shares similar logic to offensive realism, but defensive realists argue that nuclear weapons and the Pacific Ocean between China and the US increase the ability of both countries to protect themselves and thus decrease the necessity for them to adopt offensive pre-emptive strategies to protect themselves (Glaser, 2011).

Walt (2017) argues that China has adopted a more assertive foreign policy since 2013 because it is seeking to reduce the US presence in Asia for its own security, which has led to intense competition for allies and influence between the two countries. He (ibid) also claims that China's rising power has facilitated a more ambitious policy of undermining the US's dominant status in Asia. Some Chinese realist scholars also argue that China's past international strategy of *taoguang yanghui*, "hiding our capacities and biding our time", could not be sustained (e.g., Song, 2013) and needed to be reformed because of changes in the global and regional environment (e.g., Yan, 2014; Wang, 2014).

In contrast, Odgaard (2017) and Raditio (2019) contend that China still upholds an essentially defensive strategy, though it adopts an offensive foreign policy when it thinks such foreign policies are necessary. Moreover, according to Ruonan and Feng (2017), not all Chinese scholars are supporters of offensive realism but rather argue that China should maintain its official non-alliance strategy to avoid provoking a strong response from the US. Although China has sought to build a solid friendship with Russia, there is as yet no mutual defence

treaty between them (Ruonan and Feng, 2017), which supports the defensive realist position that China will restrain its behaviour even though its actions have become more assertive.

Neoliberalists tend to believe that China is largely satisfied with the status quo, even though it tries to revise some parts of that status quo. Although there is evidence that China views the world order as hegemonic and unfair to developing countries and seeks to construct alternative international institutions such as the AIIB, neoliberals insist that China still actively participates in and engages with much of the existing order (Breslin, 2013; Kastner, Pearson and Rector, 2016; Ikenberry, 2017). Neoliberalists believe that China can and will cooperate with other countries to integrate into and develop within the existing order rather than adopting a costly and dangerous policy to establish its own order (Foot, 2017; Ikenberry, 2011; Ikenberry, 2017; Shambaugh, 2004; Zhao, 2018).

According to Johnston (2019), China's approach towards the current world order is neither acceptance nor rejection but rather a combination of both. China supports the constitutive order, which refers to the current nation-state sovereignty system and seeks to coexist with the international trade order (free trade across borders), financial order (free flow of capital), and the environmental order (reducing pollution and carbon dioxide emissions; ibid). However, China shows a low degree of support for the political development order, which concerns how states aggregate political interests in society, especially in relation to human rights issues (ibid). A more detailed description of China's attitude towards different types of international order is provided in Figure 2.3 below. It is important to note that China's attitude towards the world order is dynamic and can change over time.

Figure 2.3 Summary of China's Support for Different Orders

Order	Domain	Key Norms	Key Institutions	Contestation among Actors within the Order	China's Support
constitutive	defines main actors and their identities	sovereignty, territoriality	UN, international governmental organizations	low	high
military	regulation of military capabilities	non-aggression, limits on certain weapons	UN Charter, arms control treaties, UN peacekeeping operations	medium?	medium?
political development	how states aggregate domestic interests	liberalization, democratization, human rights, responsibility to protect	UN human rights conventions, International Criminal Court	medium?	low
social development	how states treat welfare of groups and individuals	right to development, non-discrimination, greater protection of individual choice	UN human rights conventions on social and economic rights; treaties on women, children, the disabled	low to medium?	low to medium
trade	how states manage cross border flows of goods and services	free trade	World Trade Organization, Group of Twenty, regional foreign trade agreements	low	medium
financial	how states manage cross border flows of capital	liberalization, transparency, accountability	International Monetary Fund/ World Bank, national development banks, stock markets	low	medium
environmental	how states manage cross border pollution flows	precautionary principle; developed/developing	Montreal Protocols, Kyoto, Paris Agreement	medium to high (after Trump election)	medium to medium high?

(Johnston, 2019, p.57)

Constructivists emphasise the importance of norms, culture, and ideas in state behaviour. Chen (2021) claims that changes in China's interactions with other countries in the global arena have significantly impacted its perception of the international system. China's national identity and interests have changed as its mode of interaction with other countries has evolved from isolation and confrontation to engagement and interdependence since Reform and Opening up. He and Feng (2015) note that although China had already begun the process of socialising into the international system under Deng Xiaoping, Chinese policymakers still uphold instrumental beliefs regarding multilateral institutions. As a result, China has not accepted and internalised all the mainstream international norms (He and Feng, 2015; Jones, 2020). This "semi-socialisation", according to He and Feng (2015), has contributed to China's change to a more assertive foreign policy, as there is no severe conflict between its own norms and such a change.

Uemura (2015) adopts a cultural constructivist approach to analyse the shift in China's foreign relations with Japan and the former Soviet Union and argues that in the context of "guanxi culture", China's understanding and construction of the Other have deeply influenced its

foreign policy change. The notion of guanxi (关系) refers to long-term reciprocal interpersonal relations (ibid). China will behave cordially in its interactions with Japan and the former USSR when it perceives these countries' behaviours as morally correct under the guanxi framework. However, if China believes it is acting according to mutual reciprocity under the guanxi framework while the other party is not, it will change its previous foreign policy (ibid). For instance, when China believes its kind behaviour does not receive an equal response from Japan, it becomes frustrated and changes its actions (ibid).

Sorensen (2015) argues that the new concept of the "Chinese Dream" has affected the assertive turn in China's foreign policy. While Chinese leaders claim that the "Chinese Dream" is a successor to the previous strategy of peaceful development, certain innovative elements in their speeches and statements about this concept suggest a new approach to engaging with the international system (ibid). These new ideas include taking on more international responsibilities, shaping the international system to make it more representative of China's interests, and being treated as an equal player on the international stage (ibid). The gradual development of ideas in China's foreign policy strategy, affects the way that China engages with the international system (ibid). However, Sorensen's (2015) research lacks a detailed investigation into the process of how official discourse affects China's foreign policy change.

Smith's (2021) research goes further in examining the process by which new narratives challenge and replace previous official discourse and pave the way for Chinese foreign policy change. Smith (2021, p.7) argues that "Major Country Diplomacy is embedded in a rich ecosystem of Party narratives and rhetorical commonplaces that work to structure and refine the complexity of global politics into a simplified, coherent, and actionable framework". Xi proposed the concept of "major country diplomacy" in 2014, and by 2018, it had become part of a sweeping narrative about China and the progress of world history (ibid). "Major country diplomacy" includes doctrines of China playing a more active role on the world stage, reforming the unfair parts of the international order, and assuming greater responsibility for global affairs in accordance with its rising power and status. Furthermore, according to Smith (2021), the content of the new narrative can be summarised as follows: because of the

leadership of the Chinese Communist Party (CCP), China has risen up and now faces a window of opportunity to define a new model of international governance and take on a greater burden in global governance after a century of humiliation. This new narrative replaces the previous narrative of the need to keep a low profile and justifies China's more proactive, sometimes even assertive, role in global affairs (ibid).

2.3.2 FPA theories of China's foreign policy change

While the influence of China's domestic politics on its foreign policy has not received sufficient attention in the field of IR, some researchers have used FPA theories to examine China's foreign policy change. This section provides a review of that research.

Zhang (2015) has applied the expected utility theory of rational choice to explain China's shift from opposing nuclear non-proliferation to supporting it. Zhang (ibid) sees China's changing nuclear policy as driven by the recognition that the costs of its previous policy outweigh the benefits. However, the traditional rational choice model has been criticised for simplifying the definition of rationality. Poliheuristic theory seeks to construct a more accurate model of human decision making because, in real life, people are not as rational as rationality choice theory assumes (Mintz and Chatagnier, 2020). Patrick and Zhang (2005) adopt the poliheuristic theory to examine China's foreign policy. They demonstrate the theory's validity by explaining five out of nine major decisions made by leaders ranging from Mao Zedong to Jiang Zemin during severe crises with other states, including whether to launch or pull back from war (ibid). Their (ibid) research shows that Chinese leaders prioritise the domestic political dimension when making foreign policy decisions. However, Keselman (2019) claims that Mao Zedong's style of decision making is not heavily influenced by the calculations of the political survival of politicians. Mao's major concern is building Chinese military power and supplanting the Soviet Union, even though domestic political concerns are also important to him (ibid). Mao's major concern is not his political survival could be explained as a result of domestic politics. Mao is the most powerful Chinese leader in the history of the People's Republic of China (PRC). Other top Chinese leaders do not enjoy the same security guarantee of political survival as Mao did, and they are unable to decide China's domestic and foreign

policies alone, which demonstrates the value of a bureaucratic political model that emphasises the existence of numerous actors participating in the decision making process. In contrast to most scholars' opinion that China is a unitary actor, Zhang (2016) argues that the bureaucratic politics model can be applied to China because the real China is more fragmented than most scholars assume.

Several scholars have emphasised the influence of actors inside the government on foreign policy changes. Lai and Kang (2014), Duggan (2020), and Gaenssmantel (2015) propose that China's more proactive behaviour may be driven by the different foreign policy orientations of various ministries and their desire to increase their departmental power. For instance, provincial governments have actively influenced the decision making procedure of the OBOR project to improve their local economic interests (Yu, 2018). Jones and Zeng (2019) investigate how the change in China's political system has affected the OBOR initiative as well. They (ibid) claim that China's state authority has become more fragmented and decentralised into subnational governments while state apparatuses have become increasingly internationalised. Therefore, both the State-owned Enterprises (SOEs) and powerful Chinese provincial governments can enjoy more autonomy, and they have influenced, interpreted, and ignored certain OBOR policy guidelines in order to advance their own interests (ibid). For instance, Guangxi and Guangdong provinces competed with one another over industrial park and port projects in Malaysia under the framework of OBOR (ibid). Similarly, Saunders and Scobell (2015) suggest that the People's Liberation Army has gained more influence over shaping foreign policy agendas. For example, the People's Liberation Army has exerted additional pressure on the Chinese leadership to enhance China's capabilities in power projection with the excuse of aiding Chinese citizens when they are in danger (Sorensen, 2019).

According to Prizel (1998), nationalism is an important component of the ideological glue legitimising authoritarianism and therefore plays a larger role in the foreign policy making of authoritarian regimes compared to democratic ones (Alden and Aaron, 2017). Authoritarian leaders use nationalism to mobilise support for foreign policy actions, and the public can use

nationalist narratives to promote alternative policies as well (ibid). For instance, Japan's nationalisation of Diaoyu Island in the East China Sea in 2012 sparked an escalating diplomatic row, making the Chinese public more willing to support Beijing's military build-up (ibid).

Compared with IR research on China's foreign policy change since 2012/2013, there has not been enough research on this issue from an FPA viewpoint. Although many Chinese scholars who study Chinese diplomacies have examined the interaction between China's foreign policy change and domestic factors, few have sought to theorise their rich insights using FPA models (Feng and He, 2020). The next section examines the other practical research investigate how the domestic political setting and decision making process influence China's actions in the foreign policy arena.

2.3.3 Summary

Current analyses of China's foreign policy shifts tend to suffer from two significant deficiencies. First, as the mainstream theoretical framework used to analyse China's recent foreign policy, IR theories largely neglect the role of domestic factors in this changing process, which has negative implications for both accuracy and the explanatory power of this theory. For instance, since the 1990s, structural realists have argued that China's policy of peaceful rise would change due to systemic pressures created by the anarchic international system (Johnston, 1992; Friedberg, 1993; Cronin and Cronin, 1996). However, this theory fails to explain why China chose to officially change its diplomatic strategy from *taoguang yanghui* to *fenfa youwei* only after 2013. In addition, recent developments in international relations have challenged neoliberalism's previous optimistic arguments that China's rise would not result in a foreign policy strategic shift (e.g., Ikenberry, 2011) and that the economic interdependence of the US and China would alleviate the intensity of strategic competition between the two countries (e.g., Shambaugh, 2004). Unlike the other two schools, constructivists such as Buzan (2014) argue that because China faced a conflict of values and norms, conducting further research into national culture and ideational factors is necessary to better understand and predict China's foreign policy.

Although relevant literature on China's domestic factors exists, most of these studies belong to the area studies approach, and very few of these investigations adopt FPA theories (Zhang, 2016). Furthermore, the FPA research on China is insufficient in comparison with the IR research on China and it research on the US.

2.4 Domestic factors in China's foreign policy

This section first introduces China's foreign policy decision making system and the domestic context of its decision making procedure. It then reviews the domestic factors that influence China's foreign policy decisions and the national interest concept.

2.4.1 China's foreign policy decision making in a nutshell

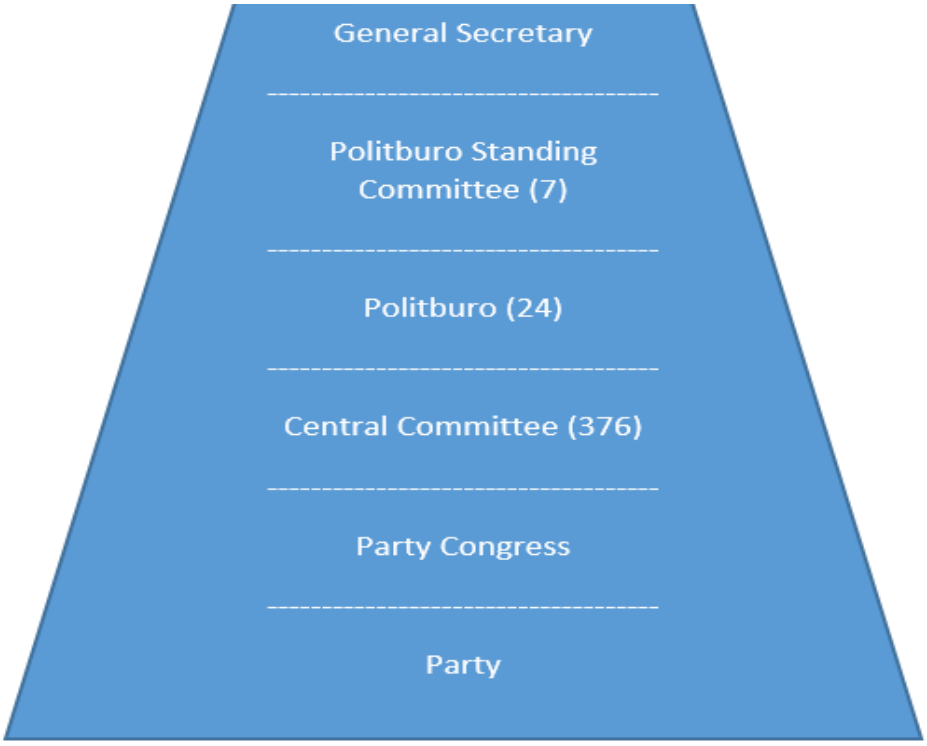
According to Cabestan (2021), the major party-state institutions in the PRC that exert significant influence over foreign policy include the Politburo Standing Committee, the Politburo, the Foreign Affairs Commission (formerly the Foreign Affairs Leading Small Group), the National Security Commission, the Central Committee Foreign Affairs Office, the Central Military Commission, the Ministry of Foreign Affairs, the Ministry of Commerce, and the foreign propaganda organs.

Political decisions in China are mainly made by the leaders of the CCP, the sole ruling party in the PRC. The CCP organisation is strongly hierarchical in nature, with the highest level including the general secretary of the CCP and the second-ranked member of the Party, who assume the roles of president and premier of the State Council of the PRC, respectively. These two leaders belong to the Politburo Standing Committee, which includes between five and 11 of the 24 total members of the Politburo (the current Politburo Standing Committee has seven members). The Politburo Standing Committee can decide domestic and foreign policies, and its members are the highest-ranked politicians in China (Zhang, 2016). However, in practice, the general secretary is able to ratify or veto decisions made by the Politburo Standing Committee (Lu, 2018). The Politburo meets once every month on average, and meetings generally deal with domestic affairs (Cabestan, 2021). In cases in which the Politburo has to

decide on foreign policy issues, members usually attend study sessions to hear reports from top leaders or from well-known scholars and experts regarding these issues before making decisions (ibid).

The Politburo is the executive body of the Central Committee of the CCP. The Central Committee is currently the highest political body of the Party. It consists of 205 full members and 171 alternate members (without voting rights). The following figure presents the tiers of the party.

Figure 2.4 CCP's overlapping tiers



(Source: the author, 2023)

An additional organisation within the Chinese political system designed to coordinate and regulate the actions of the bureaucracy is the Leading Small Group (Tsai and Zhou, 2019). The Leading Small Group usually consists of the top leaders of the departments that this group

coordinates. Leading Small Groups have existed since Mao's era and represent a significant feature of the Chinese political system (ibid).

The decision making process of Chinese foreign policy includes information inflow, foreign policy initiation and decision, implementation, and coordination (Lu, 2018). There are three major sources from which Chinese leaders obtain information on international affairs: Chinese missions abroad, foreign media, and daily bulletins generated mainly by the Fourth Division of the Information Department and the General Office of the CCP (ibid). The members of the leadership circle, such as the Standing Committee, will write instructions or comments on foreign affair reports or documents that are pre-selected by their secretaries. These documents are then transmitted to the relevant bureaucracy via the staff office of the Foreign Affairs Leading Small Group. Crucial foreign issues that cannot be decided by a leader alone will be discussed in meetings with other leaders, of the Politburo Standing Committee, or even the Politburo itself. The level at which the meeting takes place depends on the importance of this issue. Once the bureaucracy receives the relevant instructions on foreign policy change or on launching a new foreign policy, it will begin to generate specific policies to complete the assigned job (Lu, 2018).

During implementation, if there are major opinion differences between different sections of the bureaucracy, these institutions will either co-sign a "Request for Instructions" with their different opinions or else submit their own opinions separately to the central leadership or the Foreign Affairs Leading Small Group (now the Central Committee Foreign Affairs Office of the Foreign Affairs Commission; Lu, 2018). If the central leadership or the Central Committee Foreign Affairs Office cannot reach an agreement, a meeting will be convened. Once the leadership has resolved the disagreement, the leaders will issue a document to the bureaucracy to solve the problem of coordination (ibid). Any change in Chinese foreign policy takes place by reinterpreting either the relevant policy or the problem it is designed to solve or by exaggerating the harmful effects of its implementation (Lu, 2018).

After becoming the top leader in 2012/2013, Xi launched reforms to concentrate power in his own hands (Cabestan, 2021). Since the reform era began in 1978, the Chinese state has experienced considerable disaggregation, divestment of power and control to semi- or fully private actors, and devolution of authority and resources to subnational agencies (Hameiri and Jones, 2016). Consequently, multiple state and quasi-private agencies have, to some extent, become autonomous foreign policy actors pursuing uncoordinated and sometimes contradictory agendas overseas, despite the government's efforts to coordinate them (ibid).

Xi's institutional changes have included reforming existing departments or transferring their responsibilities to newly created entities and shifting decision making processes from the Government to either the Party apparatus or himself, which have altered China's political setting of foreign policy (Cabestan, 2021). In 2013, the Chinese government created the National Security Commission (Scio.gov.cn, 2017) to plan and coordinate major issues and work concerning national security (ibid). In December 2015, Xi embarked upon a significant reform of the People's Liberation Army (Chan, 2015). In 2018, he turned the Foreign Affairs Leading Small Group into the Central Foreign Affairs Commission and the Finance and Economy Leading Small Group into the Central Financial and Economic Affairs Commission, according to Xia ke dao, the WeChat Official News Account of *People's Daily* Overseas Edition (News.sina.com, 2018). Xi's power over foreign affairs has been strengthened by this reform. The Foreign Affairs Leading Small Group was informal in nature and only met a few times a year at most (Legarda, 2018). The newly created Central Foreign Affairs Commission is a more formalised body with more bureaucratic power to guide policy (Cabestan, 2021; Wu, 2021). According to Wu (2021), the Central Foreign Affairs Commission is almost as important as the Foreign Ministry in the state system, and Xi has heavily relied on this department to control China's foreign affairs system (ibid). The Central Financial and Economic Affairs Commission, while mainly dealing with domestic economic issues, can also intervene in important trade negotiations and foreign economic relations (Cabestan, 2021) and hence has significant power over China's international economic activities. It should also be noted that these two Central Commissions fall under the CCP Central Committee, while the Foreign Ministry is a department of the government. The general secretary is the head of the CCP, while the head of government is the premier.

However, “China’s foreign policy and security decision making processes have remained partly stove-piped, and Xi is the only leader who can really overcome this compartmentalisation” (Cabestan, 2021, p. 332). For instance, despite Xi’s reforms and the formation of the National Security Commission, the Central Military Commission maintains a crucial role in decisions around making war and managing the military dimension of any international crisis in which China may be involved (ibid). Moreover, it is still unclear whether the Central Foreign Affairs Commission is, in fact, better able to coordinate different departments (ibid). In other words, although Xi’s reforms have undeniably increased his power, they have only had a minor impact on the “integrated fragmentation” characteristic of the Chinese political system; without Xi’s personal attention or participation, China’s various departments still lack communication and coordination in diplomatic activities (Cabestan, 2021).

Alongside the role of formal departments in making foreign policy decisions, party politics also affect this process. CCP leaders differ in their policy propensities regarding how to run the state, and close personal relationships among Party members gradually develop into groups of like-minded associates favouring different lines or kinds of policy (Cabestan, 2021). Nathan (1973) defines these groups as “factions” and claims that Chinese factions are patron-client clusters of mutually linked officials whereby every member is able to establish ties with others as long as there is no contradiction between their old faction and the new relationship. Keller (2016) slightly modifies Nathan’s definition, defining a Chinese faction as an informal strategic alliance formation of elites who are connected to and supportive of one another and have a common leader rather than a clearly delineated stable group. Through such Party factions, politicians are able to develop private cliques through personal networks, collegiality, and political promotion (ibid). As a result, the private political preferences of leaders strongly influence the policy preferences of their groups. Furthermore, as in South Korean politics (e.g., Kim, 2008), the existence of intra-CCP political groups is highly dependent on the leader of the group; if the leader disappears or loses power, so does the group. However, leaders are also dependent on the support of their power base, so the policy preferences of leaders cannot be too alienated from those of their supporters.

In the current study, the term “political groups” is used rather than “factions”, as certain influential political groups (e.g., the princelings, the descendants of senior communist officials in China) are not formed out of patron-client clusters (Miller, 2015). Additionally, competition between factions is normally understood as a struggle for power between non-overlapping and distinct groups of elites (ibid). In contrast, political groups refer to groups of people who share similar political or economic interests, which usually determine the group’s policy preferences, and the group is formed around a powerful leader. Moreover, a politician can belong to different groups. The most powerful political groups inside the CCP are those formed by state leaders through patron-client, colleague, and personal relationships, and the political tendencies of such groups are generally in line with those of their leaders.

Xi has built up his own political group just as earlier leaders did, and his group is now the dominant political group in the CCP. Wu (2019) identified seven sources in Xi’s camp: princelings, graduates of Tsinghua University, and officials from Shaanxi, Hebei, Fujian, Shanghai, and Zhejiang (Xi’s major power base). Xi has a strong political preference towards nationalism, which his advocacy for “the China Dream” of the “rejuvenation” of the Chinese nation reveals (Xinhuanet.com, 2017a). It has been reported that the basic content of “the China Dream” of the “rejuvenation” of the Chinese nation includes realising the prosperity of the country, the national rejuvenation, and the happiness of people (People.com.cn, 2014). Xi affirms that the liberal economic reforms of the Reform and Opening up have led to China’s economic success but also supports state capitalism and advocates balanced, comprehensive, adequate, and global joint development (Foot and King, 2021). Xi is also an economic socialist who has launched a campaign to eliminate absolute poverty (BBC, 2021). Xi insists that the CCP must be the only ruling party, and he is against Western liberal political values and liberal political reform (Fewsmith, 2013). In sum, Xi believes in nationalism, developmentalism, free trade, state capitalism, and socialism.

Xi Jinping was designated as Hu Jintao’s successor around 2008 and took over as general secretary of the CCP in 2012 (Fewsmith, 2018). At that time, he was widely perceived as a conciliatory and weak figure, surrounded by cautious supporters of his predecessors, Jiang

Zemin and Hu Jintao (ibid). Xi was selected as the successor partly because of his "princeling" background and his presumed commitment to preserving the Party and partly because he had no apparent political base. He was chosen over the more ambitious Bo Xilai because he seemed to be a more low-key official who could unite different groups within the party. Zeng Qinghong, a close ally of Jiang Zemin who used to be the vice president of China and first secretary of the CCP's Secretariat, reportedly expressed the opinion that Xi Jinping was "someone we can all accept", a view apparently shared by other party leaders (Fewsmith, 2018, p. 8). Therefore, Xi's rise to power and the subsequent changes in the CCP can be traced back to the need to stabilise the system.

The Reform and Opening up, which encompasses various economic reforms, including market reforms that the Chinese widely view as capitalist reforms in nature, has become more controversial since the 2010s. Although the reforms initially succeeded, their continuation has been perceived as exacerbating social problems. For instance, wealth disparities between urban and rural areas in the mid-1990s became even more severe in the following years, and regional social and economic disparities between coastal provinces and local provinces also deepened (Miller, 2011). Increasing economic polarisation has led to greater social polarisation, planting the seeds for social turmoil. Sun Liping, a scholar at Tsinghua University, estimated that in mainland China, the number of "mass incidents", such as demonstrations and riots, in 2010 was nearly three times the number in 2000 (Yu, 2012). In 2010, there were more than 180,000 "mass incidents", and the government spent 549 billion yuan on stability maintenance, exceeding the 534 billion yuan spent on national defence (ibid). Furthermore, the wealth concentration and polarisation problems caused by economic liberalisation reform not only appeared in China but in South Korea, as well (Kim, 2018a; 2018b). In other words, the economic liberalisation reform in East Asia is likely to bring about wealth concentration and polarisation.

The deepening of reform has provided the soil for the neo-leftists to grow (Chen, 1999). The neo-leftists inside the party have proved unsatisfied with the strategy of Reform and Opening up and use Marxist and Maoist theories to criticise such policies. One prominent group of

neo-leftists is the Maoist group, who support the one-party regime, are highly patriotic, and oppose the market-oriented reforms begun by Deng Xiaoping and followed by Jiang and Hu (Lam, 2012). Since 2008, there has been a Maoist revival in China (Lam, 2012), which emphasises egalitarianism, patriotism, and social equality. The resurgence of Maoism also represents a deliberate political movement that some CCP leaders have undertaken to uphold political stability and weed out challenges to the regime (ibid). Increasing numbers of Chinese have become dissatisfied with political groups supporting liberalism and capitalism as China continues to face severe social problems caused by liberal and capitalist economic reforms. Neo-leftists have criticised the polarisation resulting from the economic reforms, the severe corruption caused by the collusion between senior cadres and big business, and China's economic globalisation (Lam, 2012). Chinese neo-leftists also include socialists who seek to preserve workers' rights and are concerned with the problem of corruption. They support political reform but insist that any reform must be top-down and that people should encourage the CCP to take reforms rather than push it to do so (Xu, 2007).

Another threat to the stability of the one-party system is the conflict between the Shanghai Gang (Shanghai Bang, 上海帮) and the Youth League Faction (Tuanpai, 团派). The Shanghai Gang is the name of the political group around Jiang Zemin, CCP general secretary and president of China 1993-2003, who basically inherited Deng's ideas. As one of the rightist groups inside the Party that supports capitalist-style economic reforms and Reform and Opening up, the Shanghai Gang is often regarded as pro-West and believing in international values and norms (Lam, 2012). Some radical rightists have even advocated adopting political reforms of Western-style. The Shanghai Gang is less inclined towards Marxism-Leninism in its political stance and more supportive of economic liberalism.

When Hu succeeded Jiang, he recognised the serious problems of rampant official corruption and economic disparity (Li, 2005). He acknowledged that while economic efficiency was important, China's new goal was to achieve distributive equity throughout Chinese society (ibid). Tuanpai is the group around Hu that prefers socialist policies that reduce the wealth gap and benefit the poor, rural areas, and peasants (Francois, Trebbi, and Xiao, 2016).

Although the Tuanpai is regarded as leftist, it is not one of the neo-leftist groups opposes to market-oriented reforms and China's globalisation. These two factions, the Shanghai Gang and the Tuanpai, have been engaged in a power struggle with one another because of their different political preferences (Francois, Trebbi, and Xiao, 2016). In sum, the essence of the severe challenges that the Party faced before and after Xi's designation lies in the fact that the Reform and Opening up created significant social and political problems that could threaten the Party's survival.

Along with the social, economic, and political background of foreign policy decisions, the ideological context is also influential. Although Marxism still plays a significant role in the Party and in China (Brown, 2016), nationalism is currently one of the most vital ideological pillars of the regime's legitimacy (Brown, 2016; Wang, 2012). The intertwined development of Marxism and nationalism in China is a long story.

During China's transformation into a nation-state in the late 19th century, the traditional tribute system and the notion of China as the "Celestial Empire" collapsed, causing a crisis in Chinese identification and Confucian orthodoxy (Wang, 2012). This crisis led Chinese elites to choose nationalism to fill the cultural and spiritual vacuum caused by the bankruptcy of Confucianism, and this intellectual-led nationalism enabled China to successfully transform from the Qing Empire into the Republic of China (He and Guo, 2000; Wang, 2012).

However, after the CCP winning the civil war against the National People's Party in 1949 with the aid of peasant nationalists and liberal nationalists (Johnson, 1962; Zhao, 2004), the dominant ideology in China transformed to Marxism-Leninism-Maoism, which underpinned the regime during the Mao era and led to the suppression of nationalism as a bourgeois ideology (Wang, 2012). After the Cultural Revolution incited by Mao, China faced domestic crises of belief in both China's international role and its national identity (Chen, 1995). Externally, China abandoned its revolutionary communist role in international society (Buzan, 2010), while internally, after adopting the Opening up policy and the decision to build a

market economy, China could no longer confidently claim that it was a socialist state led by the working class and founded upon the worker-peasant alliance (Chen, 1995; He and Guo, 2000; Wang, 2012). After the Tiananmen Square protests in 1989 and the dissolution of the Soviet Union in 1991, Chinese leaders realised that communist ideology was no longer able to provide enough legitimacy for the CCP regime.

To address this identity crisis, China launched a patriotic education campaign to reshape the state's identity and the regime's legitimacy through nationalism (Brittingham, 2007; Downs and Saunders, 1999; Gries, 2004; Gilley and Holbig, 2010; Wang, 2012; Yahuda, 2013), which thus replaced communism as the dominant ideology in China. The new nationalism shaped by this narrative is the pragmatic/mainstream nationalism that closely identifies the Chinese nation with the Party's leadership. The reason why Zhao (2004) names it as pragmatic nationalism is that the government propagates this kind of nationalism for pragmatic reasons: enhancing legitimacy and uniting Chinese citizens.

Another type of nationalism emerged in the 1990s is the mass/popular nationalism (Hughes, 2011; Zhao, 2013), and since 2008, popular nationalism has become more aggressive and offensive. The narrative of this new popular nationalism is that China has a glorious history and a splendid civilization; however, the invasion by Western countries (the US and developed European nations) and Japan humiliated China. Moreover, China is now in isolation and faces adversity from other countries because the Western states are afraid that China's rapid development will challenge their dominance over the world, and thus the Chinese need to ceaselessly strive for self-strengthening (ziqiang buxi, 自强不息) (Hughes, 2011).

2.4.2 Influential domestic factors in China's foreign policy change

Numerous domestic factors contribute to China's foreign policy making, including the foreign policy making structure and bureaucratic system, economic development and social transformation, media and public opinion, the psychological personality of principal leaders, the military, and ideational factors such as collective memory, nationalism, and culture (e.g.,

Abb, 2015; Cabestan, 2017; Dian, 2017; Duggan, 2020; He and Feng, 2013; Lai, 2010; Qin, 2014; Swaine and Henry, 1995; Yu, 2019; Zhao, 2013). An important foreign policy or significant diplomatic strategy generally derives from a vast array of independent and intermediate variables. According to Lin (2019), it is the combination of ideological, economic, institutional, and international political factors that have enabled the strategic change in China's foreign policy since 2013.

Zhou (2019) argues that the main drivers of Chinese foreign policy practice are China's core interests. According to Chinese government State Councillor Dai Bingguo, the core interests of China are 1) the security of the fundamental system (the Communist Party-led political system) and society, 2) state sovereignty and territorial integrity, and 3) stable development of the economy and society (State.gov, 2009). The 2011 white paper, "China's Peaceful Development", also affirms that the three clusters of China's national interests are sovereignty and security interests (including territorial integrity and national reunification), the stability of China's one-party political system (including social stability), and economic development (sustainable economic development and social development; Gov.cn, 2011a). It should be noted that protecting the fundamental system (i.e., protecting the political survival of the Party) is the most important core interest (ibid).

Qin (2014), Weissmann (2015) and Zhou (2019) all agree that the security of the one ruling party political system is the most critical consideration for the Party and Government when designing China's international strategy. Several researchers have investigated China's foreign policy changes from the perspective of maintaining regime security. Fravel (2005) has argued it was regime instability that led to China's compromises in territorial issues in the 1990s. Gonzalez-Vicente (2015) identifies the influence of maintaining regime legitimacy on the transition of China's diplomacy from advocating the principle of non-intervention to launching interventionist actions in Africa in the 1960s. The Chinese government was eager to rhetorically and materially support Africa and Southeast Asia to encourage them to abandon diplomatic recognition of the Taiwan government and recognise Mainland China as the only legitimate Chinese government (Gonzalez-Vicente, 2015). To understand how state

security affect China's foreign policy, please see the previous review of realist scholarship; realism has an advantage in explaining issues related to state security, and most security studies fall under the realist approach.

The consensus among many Chinese scholars is that China's foreign policy aims to serve economic development. Qin (2014) argues that economic factors are still crucial for China's foreign policy decisions since economic growth has provided and will continue to provide legitimacy for the state and the political system. For instance, the Dean of the China Institute of International Studies, Su Ge (2016), argues that putting forward the OBOR initiative, the iconic foreign policy project of the Xi Jinping era, mainly aims to offer opportunities for China's overseas investment, facilitate model transformation in economic development, and promote the industrial transfer of Chinese companies.

Apart from economic development, the other source of the CCP's legitimacy is nationalism. Nationalism can thus be regarded as one of the ideological interests of the PRC. The CCP claims that it is the best leader to protect the Chinese nation and lead Chinese rejuvenation (Zhao, 2013). A number of scholars, such as Bhattacharya (2007), Gries (2004), and Hughes (2011), have argued that the prevailing narrative of Chinese nationalism is that China was a victim nation, and it has to wipe out this disgrace by achieving national salvation and rejuvenation. Because of the rise in Chinese nationalism, the CCP has decided to adopt a more proactive and assertive foreign policy (Bhattacharya, 2007; Gries, 2004; Hughes, 2011). A rise in nationalism can create a kind of political preference whereby tougher actions will win more support, while a dovish leader may face criticism for being too soft (Tang and Darr, 2012). The Chinese government's legitimacy has become increasingly dependent upon its ability to defend national interests (Gries, 2004; Weiss, 2019; Zhao, 2013), and political leaders are therefore more prone to taking a tough stance on international conflicts; otherwise, they may face criticism for failing to protect China's interests, which can undermine their political standing (Christensen, 2011). In sum, Chinese nationalism has a range of functions: it serves as a prop for hawkish action; it affects the legitimacy of the Chinese regime; it influences government preferences in foreign policy; it raises the costs of dovish policies; and it

influences the interpretation of diplomatic outcomes (Christensen, 2011; Gries, 2004; Hughes, 2011; Tang and Darr, 2012; Weiss, 2019; Zhao, 2013).

However, there have been controversies among scholars as to the influence of Chinese nationalism on foreign policy. For example, Johnston (2017) argues that China's nationalism has not increased from the early 2000s to 2016, and thus China's more assertive foreign policy should be attributed to other factors. However, Johnston's measurement of Chinese nationalism is based on the definition of mainstream nationalism, but Chinese nationalism is different from mainstream nationalism (Carlson, 2009). According to Carlson (ibid), the roots of Chinese nationalism lie in China's past: its long history of being an empire, the so-called "century of national humiliation", and the CCP's contribution to the creation of the PRC and the rapid development of China. These issues have jointly forged Chinese nationalism. Moreover, the government has also endeavoured to influence the content of Chinese nationalism (ibid). Chinese nationalism is characterised by both a victim sentiment and a victor sentiment (Gries, 2004), as well as the CCP's role in the creation of modern China (Zhao, 2004). Moreover, Weiss (2019) claims that Chinese nationalism's influence on foreign policy is determined not only by its intensity but also by its ideological content, which has become more hawkish in recent years.

Notions of the national interest have also played an important role in China's foreign policy decisions. According to Ye (2019), China's three core interests have remained fairly consistent since the Reform and Opening up; however, these interests' importance has changed, and this change is largely because of leaders' perceptions of these interests, external threats, and China's relative powers. During the Deng era from the 1980s to the 1990s, China's perceptions of its national interest took on a strong internal orientation, and its economic interests were regarded as vital (ibid). From 1991 to 2010, economic interests gradually became less important, and the significance of security interests increased. From 2011 to 2017, the importance of security interests continually increased, and became more important than the economic interests (Ye, 2019).

Because of the significance of national interest in international politics, numerous studies have sought to have a clear definition of this concept. However, it is difficult to clarify the exact meaning of national interest, and Burchill (2005) suggested abandoning or replacing this concept with some other phrase when analysing international affairs because, as an analytical tool, national interest lacks a solid conceptual foundation. According to him (ibid), there are two main challenges to this concept: first, can national interest really represent the citizens of the state or it actually represents the interests of the vested interest groups? Second, is national interest an objective existence, or is it a subjective constructed idea? (Burchill, 2005).

Different scholars hold different views on these questions. Neo-realists such as Waltz (1979) tend to treat national interest as an incontrovertible and externally given attribute. Waltz (ibid) is more interested in the behaviour of states, rather than their words, and claims that working out a state's national interest requires analysing its actions. In the real world, politicians can manipulate the concept of national interest in order to justify state actions, and thus it is problematic to take any claimed "national interest" as the true national interest (Rosenau, 1968). Morgenthau (1951) defines the national interest as protecting the nations' territorial security, political security, and identity security, and therefore views it as objective and constant. A different perspective of national interest is that national interest is changeable but not fixed; its content can be affected by factors such as external circumstances, history, leaders' personalities, institutional and party interests, and public opinion (Burchill, 2005). According to Gilpin (1981, p.19), "the objectives and foreign policies of states are determined primarily by the interests of their dominant members or ruling coalitions". Krasner (1978) disagrees with Gilpin and claims that national interest "cannot be reduced to some summation of private desires" (p.36) and "the national interest does have empirical reality if it is defined as a consistent set of objectives sought by central decisionmakers" (p.330).

The fact that the nation-state's official conceptualisation of "national interest" cannot exactly reflect and represent the interests of the public leads to the complexity and ambiguity in defining this concept. Rousseau (2018) stated that the nation-state's interests should

represent the common interests and the general will of the whole society. However, dominant interest groups could capture the apparatus of the state and manipulate state policies to serve their private interests instead of the common interests (Burchill, 2005).

Given that goals and interests generally stem from values and subjective preferences, there may exist numerous interpretations of the national interest, which are based on the diverse perspectives held by different people (Burchill, 2005). Constructivists understand national interest as a subjective constructed concept and reject the realist view of it as an objective, permanent, and fixed phenomenon (ibid). According to Reus-Smit (2005), constructivism holds that the national interest is endogenously determined and is a "consequence of identity acquisition, as learnt through processes of communication, reflection on experience, and role enactment" (ibid, p. 199). Wendt (1999, p. 231) explains that "[i]nterests presuppose identities because an actor cannot know what it wants until it knows who it is, and since identities have varying degrees of cultural content so will interests". Moreover, both national identity and the national interests of states can evolve over time through the socialisation process of states (Hobson, 2000).

This study defines national interest as a concept that, similar to truth, has both objective and subjective attributes and that cannot be directly observed in the material world but represents a perspective of reality. Just as scholars pursue truth, states and the internal actors within them exert the utmost effort in pursuit of the national interest. However, internal actors may debate what is meant by the term "national interest" and may prioritise their own interests over it. Nevertheless, it is undeniable that unless actors no longer consider themselves a part of the state, the state's demise would have a serious negative impact on them, so they will usually seek to unify their own interests with the national interest and sometimes even sacrifice their own interests for those of the state. Therefore, "national interest" is a concept that is subject to change and the meaning of which can be influenced by subjective understandings. However, that does not deny the objective existence of this concept: for instance, losing territory to other states would usually be accepted as harming the national interest. This study attempts to explain changing national policies through the

changing understandings of national interest, using the frameworks of constructivism and rational choice theory. The theoretical framework for this study is discussed in the Research Design chapter.

2.5 Conclusion

There are two ongoing debates in the fields of IR and FPA. One is the debate between rationalism and reflectivism as to the relative importance and influence of material structure versus ideational social variables (Smith, 2013). Rationalists are positivistic in methodology and prefer to measure and analyse what can be observed while generally underestimating or even ignoring social and ideational factors (Navon, 2001). In contrast, numerous reflectivists believe that positivism is a problematic epistemology for studying social phenomena because socially constructed variables that rationalists reject are inseparable from social science studies, including IR and FPA (Smith, 2013).

The other debate is about the relationship between structure and agents (Hudson, 2005). Structure perspective theories view a state's actions as subject to external incentives and structural pressure, while agent perspective theories focus on the special characteristics of agents (ibid). Waltz (1979) argues that the main advantage of international-level systematic theories incorporating neo-realism and neoliberalism is the clarity that their structure perspective provides. State-level theory incorporating the actor perspective involves too many variables, which harms its validity as a scientific theory (ibid). Conversely, Moravcsik (1993) emphasises that the advantages of state-level theories incorporating the actor perspective, such as FPA theories, lie in their pluralism while the limited number of variables in the international-system theory undermines this approach's validity in explaining specific cases.

Based on these two debates, the theories reviewed here can be categorised into four types: rationalist structure analysis, rationalist agent analysis, reflectivist structure analysis, and reflectivist agent analysis. Among the three mainstream IR theories, neo-realism and

neoliberalism are rational structural theories that do not emphasise the international ideational order, and constructivism is a type of reflectivist structural theory that mainly focuses on the influence of ideational factors. Nevertheless, the thick constructivism that pays more attention to the specific features of states can be categorised as a reflective theory that lies in between the structure and agent approaches. Among the state-level theories reviewed, rational choice theory, bureaucratic politics theory, political regime theory, state-type theory, and advocacy group theory all count as rationalist agent theories because one of the main characteristics of FPA is its agent orientation (Hudson, 2005), and these theories focus on observable and testable factors. Public opinion theory could count as a reflectivist agent theory because it is difficult to measure the degree to which public opinion influences foreign policy, and public opinion can be categorised as a socially constructed variable. The prospect theory could fall under rationalist agent theories because it is individualistic and based on a series of experimental empirical investigations of actual human choice behaviour even though the human psychology it investigates cannot be directly observed.

As explained in the previous sections, different theories have their own advantages and disadvantages. Rational structure theories have advantages in explaining long-term traditional security issues in international relations, such as the so-called “Thucydides Trap”, the destined conflict between a rising state and “status quo states” that want to maintain the current balance of power. Nevertheless, this approach has difficulties explaining certain problems, including why China’s foreign policy shifts have occurred since 2013. Reflectivist structure theories can explain foreign policy changes that are affected by ideational factors, but the explanations such theories offer for why a current mainstream idea is replaced by an alternative are not convincing enough without considering the influence of domestic factors, such as the public audience, on this process. Moreover, rationalism-agent theories are susceptible to the critique of rationalism, such as the problematic definition of rationality.

This project has both theoretical and practical values. First, understanding the drivers of China’s diplomacy has long been an important topic of discussion for IR scholars (Smith, 2021). However, much of the IR literature has understandably focused on how changes in the

international system's balance of power have influenced China's foreign policy (ibid). Furthermore, plenty of research focused on China's domestic influence on its foreign policy change belongs to the area study approach. As a result, the current state-level research on China's foreign policy change is more empirical than theoretical. Thus, the current project is valuable because it tries to investigate China's foreign policy changes from a domestic perspective while using thick constructivism and rational choice theories to explain the foreign policy change. This investigation should therefore benefit scholars trying to bridge the gap between IR and FPA and between rationalism and reflectivism by demonstrating the advantages of analytic eclecticism approach. Second, considering that its focus is on China's foreign policy changes, this project should also be of practical significance because the research question responds to the current trends in China's foreign policy that have the potential to exert considerable influence on international politics. In summary, this thesis illustrates the importance of paying more attention to theoretically examining the influence of core national interests on China's foreign policy change since 2012/2013 with poliheuristic theory and narrative theory, which is a gap within the existing literature. In addition, it adopts the approach of analytic eclecticism, thereby showcasing the feasibility of downplaying the unresolvable metaphysical divides that have troubled the IR field.

Chapter 3 Research Design

The previous chapter reviewed the current theories of foreign policy change, particularly the International Relations (IR) and Foreign Policy Analysis (FPA) approaches, and found both fields need more research on foreign policy change. It also emphasised that it is crucial to theoretically investigate China's foreign policy change from a domestic perspective. While the main period relevant to this thesis is from 2013 to 2020, considering that the decisions to change foreign policy is generally made in response to previous events, the discussion will also involve issues before 2013.

This thesis investigates the domestic factors that have contributed to China's foreign policy change since 2012/2013 and how these factors affected this change, with the aim of answering the question of why China's foreign policy stance shifted from *taoguang yanghui* "hiding our capacities and biding our time" to *fenfa youwei* ("striving for achievement"). After assuming office as the general secretary of the Chinese Communist Party (CCP) in 2012, Xi Jinping began promoting the "China Dream" concept. On 14 March, 2013, Xi was elected the president of China, and in October of that year, he delivered a speech at a foreign affairs conference of the Chinese Communist Party (Cpc.people.com.cn, 2013) where he formally put forth the strategy of *fenfa youwei*, signalling a shift in China's diplomatic strategy away from the previous policy of *taoguang yanghui.*

This study is organised around four research questions (RQ). These four RQs have been formulated as follows:

(1) Has China's foreign policy changed strategically since 2012/2013? If it has, what domestic factors have contributed significantly to this change?

(2) How did considerations of regime stability influence China's decision to launch the OBOR initiative?

(3) How have issues of nationalism affected China's foreign policy in the SCS since 2012/2013?

(4) How have economic development factors influenced China's changed attitude towards its SOEs in Sino-US trade war negotiations?

The first is a two-part question on whether China's foreign policy has changed since 2013 and what major domestic factors have contributed to this change. Some academic debate has occurred around this issue: for instance, while some scholars argue that China's foreign policy has already changed (e.g., Friedberg, 2015), others claim that China's grand diplomatic strategy had not changed since the Deng era and that the assertive shift under Xi is a part of the general strategy of rejuvenation (e.g., Goldstein, 2020). Some scholars argue that China's foreign policy change occurred under Hu (e.g., Friedberg, 2015), while some state that China's foreign policy change has not undergone a strategic shift under Hu (e.g., Yan, 2014) and Xi's foreign policy has significantly departed from his predecessors (e.g., Poh and Li, 2017). If Chinese foreign policy has indeed changed since 2013, it is important to determine the most significant domestic factors that have contributed to this change; this study identifies regime security, nationalism, and a new perception of economic development as among these factors. Following from the results of the second part of the first question, three additional questions investigate how these factors have contributed to the foreign policy change. The second concerns how the idea of regime stability has contributed to China's foreign policy change with the case of One Belt and One Road (OBOR) initiative; the third addresses how nationalism has influenced this change with the case of China's South China Sea (SCS) foreign policy; and the fourth deals with how economic factors have affected this change with the case of China's SOE foreign policy in the Sino–United States (US) trade war.

To answer the first question, China's foreign policy before and after the beginning of 2013 was compared. This study argues that China's diplomatic strategy has undergone a goal change since 2013. While analysing the second part of the first research question, this study adopts the idea of sequential decision making to argue that the change in foreign policy is a response to the results of the existing foreign policy; it uses a national interest framework to determine the main factors contributing to this change. The second research question uses the poliheuristic theory to analyse the decision making procedure of launching the OBOR; the third research question adopts the narrative theory of constructivism to investigate China's more assertive policy in the SCS; and the fourth research question again uses the poliheuristic theory to analyse China's attitude towards the problem of SOEs in the Sino-US trade war negotiations.

This chapter covers the theoretical framework, methodology, research methods and evaluation. The theoretical framework section explains why poliheuristic theory and narrative theory were chosen to answer the research questions. The second section covers the methodology, and the third section discusses the data collected and the methods used in this project. The evaluation section provides an assessment of the data and methods, which is followed by the conclusion of this chapter.

3.1 Theoretical framework

A review of the literature indicated that using a single theory to explain China's complicated foreign policy changes can be problematic. For instance, the poliheuristic theory can explain how considerations of domestic political survival influence the decision making process of launching a new foreign policy but is hard to cope with problems like how ideational factors such as nationalism, identity and norms influence foreign policy change. Moreover, mainstream constructivism theories tend to ignore influential domestic factors.

Furthermore, neo-classical realism faces the integration problem of merging domestic factors into structural realism. In response to critiques of ad hocism and abandoning realist tradition due to the addition of domestic factors into the neoclassical realist theoretical framework (e.g., Legro and Moravcsik, 1999; Walt, 2002), one type of response emphasises that in neo-classical realism, theorising and theory-building are an ongoing practice and process, and this approach does not strictly follow the scientific paradigm's standard of "discrete assumptions and coherent hypotheses" (Meibauer et al., p. 288). In other words, some neoclassical realists are reluctant to offer a precise definition of neo-classical realism, arguing that one should respect the self-identification of scholars as neoclassical realists or their research as neo-classical realism rather than exclude these scholars and their research from the neoclassical realist paradigm with clear and strict criteria. However, without a definition to draw the specific theoretical boundary to differentiate neo-classical realism from other approaches such as the FPA approach, it is difficult to define the scope of neo-classical realism's applicability.

Meanwhile, some neoclassical realists, such as Ripsman (2017), emphasise the primary status of the international system in neo-classical realism to argue that neo-classical realism remains in the realism approach. Ripsman (2017, p. 12) claims that well specified neoclassical realist theories uphold three common assumptions with structural realist origins: "(1) that the international system is anarchic and, consequently, that states must rely on themselves to ensure their survival; (2) that security is the most important national interest in an anarchic realm; (3) that anarchy makes cooperation difficult, as it leads states to prefer relative to absolute gains." However, if Ripsman's (ibid) definition is adopted, just as in his statement (ibid), the scope of applicability of neo-classical realism is restricted to explaining events that a purely international structural theory cannot.

Nevertheless, for issues that a purely international structural theory could not cope with while a domestic-level theory could, the problem of using the more complicated neo-classical realism, which involves the factors of the international and domestic levels, arises. For instance, if the aim of the research is to investigate how domestic factors affect a state's action, the focus of this research should be the domestic factors but not the international ones. Nevertheless, this type of analysis, which focuses primarily on domestic factors, may not fit into the category of neoclassical analysis, since neo-classical realism research should involve an analysis of the influence of external stimuli, as this theory states that the international system should be the primary cause. Even for issues that both international system factors and domestic factors have influenced, for certain issues, it remains questionable whether neo-classical realism is better suited than the analytical eclecticism approach of selecting a suitable international system theory and domestic-level theory and using them in combination. The analytical eclecticism approach could flexibly decide whether the international system level theory should be primary and the domestic-level theory should be supplementary, or vice versa, depending on the case. In comparison, since neo-classical realism emphasises the primary importance of the international system, it may struggle to explain specific cases in which domestic factors seem to play the more important role. In addition, this study focuses on the influence of domestic factors on China's foreign policy shifts; therefore, neo-classical realism, which more emphasises the international system, does not fit perfectly with this study's research purpose in comparison with other theories

that focus more on domestic factors. Employing neo-classical realism may make this research a little bit too complicated as well because an international system level analysis should be included in the thesis if this theory is adopted in the analysis.

Foreign policy change is a complex process that consists of various stages and involves multiple factors, as emphasised by Hermann (1990), Blavoukos and Bourantonis (2017) and Alden and Aran (2017), and as the literature review reveals, China's foreign policy changes are no exception. Hermann (1990) and Alden and Aaron (2017) argued that there are different types of foreign policy change, such as tactical change, which includes both adjustment change and program change, as opposed to strategic change, which includes goal change and international orientation change.

This study applies a national interest framework to identify the major domestic factors that have contributed to China's foreign policy change since 2013. According to Lu (2018), Chinese diplomatic strategy changes occur when policymakers encounter new challenges or situations that cannot be resolved within the existing strategic framework. Thus, China's situation can be regarded as broadly in line with the argument from sequential decision making theory that foreign policy changes occur when policymakers encounter new challenges or previous foreign policies fail to address new issues. Given the multi-faceted and complex nature of China's foreign policy change, this study uses two different theories to investigate three case studies. The poliheuristic theory is used for the first and third case studies on the launch of the OBOR initiative and the Sino-US trade war, respectively, and the narrative theory is employed for the second case study on the SCS. Moreover, the OBOR case pertains to RQ2, the SCS case pertains to RQ3 and the Sino-US trade war case pertains to RQ4. This section will first briefly introduce the national interest analytical framework and then justify why this study uses the narrative theory and the poliheuristic theory.

The concept of national interests is widely invoked by politicians worldwide, and some scholars, such as Art (2004), regard it as the basis and goal of a state's foreign policy. However,

other scholars, such as Burchill (2005), have questioned the effectiveness of using national interests as an analytical tool, claiming that, rather than being a genuine motivator, national interests may be employed by politicians as an excuse to justify foreign policy changes. However, while it is possible for states to pursue foreign policies that may harm their national interests, such as overexpansion, the adverse effects of such policies on national interests often manifest and are recognised by people over time, which suggests that national interests do not solely constitute a subjective concept. This study acknowledges the critiques of the concept of national interests while also recognising its validity as an analytical tool. It regards that the concept of national interests has an objective existence with variable meanings that are subject to people's perceptions. Scholars and policymakers may have different interpretations of national interests, and various arguments over and interpretations of the contents of national interests can compete with one another. However, harm to national interests can have real-world consequences, and these consequences cannot be eliminated through people's perceptions; hence, the existence of national interest could be regarded as objective.

The objective feature of the national interest is that it can be confirmed independently of a mind because the outcome of harming the national interest is observable and not influenced by personal opinions or interpretation, making it a useful analytical tool. Thus, this study utilises the national interest framework to identify the most critical domestic factors in China's foreign policy change, while acknowledging that subjective interpretations of the concept can influence the specific content of national interests and perceptions of foreign policy outcomes.

Constructivism is a theory that seeks to explain the state's international relations by ideational factors, such as identity, norms, ideas, and culture (Hurd, 2008). These factors are constructed from the structure of the international system, domestic factors or the interaction between the two (ibid). Constructivism allows for the analysis of foreign policy with consideration of domestic variables such as strategic culture (Checkel, 2004; Vucetic, 2017). Although belonging to the international system approach, the constructivist school of

thought is more prone to the state-level approach than neo-realism and neo-liberalism. Furthermore, the narrative theory of thick constructivism theories (the definition of thick constructivism is in the previous chapter) enables researchers to investigate foreign policy changes from a domestic perspective by focusing on domestic narrative change. Thus, although this study uses the narrative theory of constructivism, it still maintains a domestic perspective.

This study selects Barnett's (1999) and Subotc's (2016) narrative theories as its preferred analytical theory over other constructivist theories because of the suitability of the narrative theory for analysing China's foreign policy changes in the SCS. On the one hand, it is the most suitable long-term constructivist model for foreign policy change. For instance, Campbell's (1998) foreign policy change model highlights the influence of state interactions on the formation of the "self" and the "other" in the case of nation-states and places less emphasis on domestic factors, while Finnemore and Sikkink's (1998) norm life cycle model includes domestic- and international-level analyses and is more focused on the international interaction between states. However, this study focuses on understanding the influence of domestic factors, which makes both these models less suitable than the narrative theory. Barnett (1999) argued that changes in the narrative about a state's past can constitute new entities, strategic cultures, frames, and norms that influence foreign policy change. A narrative can also offer a new framework for understanding the external world and foreign policies (Subotic, 2016). Therefore, the narrative theory is applicable to this study in answering RQ3 by explaining how narratives of nationalism shape the Chinese understanding of the SCS conflicts and impact China's foreign policy decisions in the SCS. Furthermore, this theory can be used to analyse how the content of Chinese nationalism impacts the way foreign policy is constructed: in other words, this investigation focuses on the constitutive rather than the causal relationship between the two.

The rational choice model is one of the most important FPA models for explaining decision making in foreign policy. The poliheuristic theory is one of the most important developments in rational choice theory in recent years (Alden and Aaron, 2017). It provides a framework for decision making that explains both the process and its outcome (Mintz and Chatagnier, 2020).

It proposes a two-stage process. In the first stage, a non-compensatory principle is applied, and decisionmakers discard the choices that negatively impact the decisionmaker's core interests on specific vital dimensions. In the second stage, the poliheuristic theory borrows ideas from the conventional rational choice theory, such as the expected utility theory or the lexicographic decision rule, argues that policymakers rationally choose from the remaining alternatives with the principle of maximising benefits and minimising costs. This theory has been used to explain decisions under various scenarios, including foreign policy in both democratic and autocratic states (ibid).

There are two main reasons behind the selection of the poliheuristic theory for this study. First, the poliheuristic theory has been successfully applied to the Chinese situation – for instance, in Patrick and Zhang's (2005) investigation of changes in China's foreign policy. Although their analysis does not cover changes in China's foreign policy since 2013, it nevertheless demonstrates the feasibility of using the poliheuristic theory to explain different Chinese foreign policies. Moreover, this theory emphasises the importance of domestic factors, especially domestic politics and considerations of political survival. This feature of the poliheuristic theory makes it more applicable to the case of China than other rational choice theories, as Chinese leaders pay great attention to the CCP's survival. For instance, Khan (2018) noted that all Chinese leaders, from Mao to Xi, have been deeply influenced by their worries over the CCP's political survival in their decision making. Additionally, Brown (2016) argued that Xi is afraid of the collapse of the CCP and that consideration has profoundly affected his policy-related decisions.

Second, since the poliheuristic theory adds non-rational elements, such as decision shortcuts, to the rational choice model, it enables researchers to deal with cases involving multiple alternatives and dimensions (Mintz, 2004). China's foreign policy change since 2013 is a strategic move involving numerous factors, and the poliheuristic theory allows analysts to investigate foreign policy decisions in which multiple factors are involved. Furthermore, although the theory suggests that political considerations are non-compensatory and paramount, it does not insist that the critical dimension must be political – only that it typically

will be (Mintz and Chatagnier, 2020). For example, Greene (2017) argued that UK Prime Minister Tony Blair's decisions were driven by issues of personality and conviction, which ran directly counter to domestic political concerns.

In terms of the "heuristic" element of "poliheuristic", heuristic processing refers to the utilisation of the strategies, rules, and recognitions that are acquired from previous experience and maintained in memory (Chen, Duckworth, and Chaiken, 1999). For instance, a politician may store the rule that public disapproval undermines political life in their memory. This knowledge structure can then function as a shortcut in their decision making (Mintz, 2004). While making decisions, the politician would list "public disapproval" rather than "potentially shortened political life caused by public disapproval": In other words, public disapproval is the relevant heuristic, or cognitive shortcut, in the foreign policy decision making process.

This thesis employs two theories to analyse three cases for two primary reasons. Firstly, the more theories employed in research, the more difficult it becomes for readers to understand the thesis. As such, I attempt to use as few theories as possible to make it easier for the reader to understand, unless other theories are needed to explain issues or phenomena that the main theory is flawed in explaining. Secondly, utilising narrative theory other than poliheuristic theory in the SCS case is done primarily because this case study aims to investigate the influence of nationalism on foreign policy. In other words, the research object of the SCS case study is a constructive, but not a causal, relationship. High sentiments of nationalism can affect foreign policy change, and the leader can change foreign policy to promote nationalism. Thus, narrative theory, which belongs to the constructivist approach, is more suitable for this case than poliheuristic theory, which belongs to the rational agent cluster; although poliheuristic theory involves certain psychological ideas, it does not include ideas regarding how mainstream ideas change or how a change in the content of specific norms, identities, or ideologies such as nationalism could occur. Thus, this research uses poliheuristic and narrative theory for the case studies.

Moreover, the selected theories are well aligned with the chosen case studies. Given that the two essential characteristics of Chinese diplomacy are the significance of domestic political

security and regime security (Khan, 2018; Zhou, 2019) and pragmatism (Brown, 2016), poliheuristic theory, which emphasises the importance of domestic politics and rationalism, can be considered the most appropriate theoretical framework. I have also considered using other theories, such as the bureaucratic theory, instead of the poliheuristic theory. However, this model is not more applicable than the poliheuristic theory. Bureaucratic politics theory is not very applicable to foreign policy changes because the bureaucratic system is usually resistant to significant changes (Hermann, 1990). Furthermore, in the OBOR case, this research finds that OBOR is more like a container of different participants' interests rather than a clear proposal resulting from the negotiations of different departments that include exchanging and relinquishing interests. On the other hand, this initiative is highly valued by Xi Jinping, and Xi is thus unlikely to tolerate bureaus changing or twisting the OBOR proposal to a large extent to serve their own departments' benefits during its launch phase. In addition, in the OBOR case, the most critical domestic influential factors in the emergence of the OBOR initiative are those that pose challenges to domestic political security and stability, especially the problem of China's economic development model and the instability and poverty of the western provinces. Regarding the Chinese SOE case study, the key factors are the changing role of SOEs in domestic economic development and shifting perceptions of the impact of SOE reform on domestic political security. Additionally, SOEs are vital for China's political system, and the economic development interest is closely intertwined with the domestic political security interest in China. Thus, because poliheuristic theory has advantages in explaining the significant domestic factors' influence on foreign policy decision making, it is also suitable for the SOE case. The intra-party politics model has been considered for this case as well; however, this theory was dropped because of the official document accessibility problem.

When examining the impact of ideological factors such as nationalism on foreign policy, constructivist theory is more fitting than poliheuristic theory, which belongs to the rational agent cluster. Among constructivist theories, narrative theory is more suitable than role theory, because the latter primarily focuses on "decision makers' conceptions of their state's role in international politics" and is primarily concerned with the interaction between countries and the international structure (Breuning, 2017, p. 1). In contrast, narrative theory

places more emphasis on domestic factors, making it more applicable to studying the impact of domestic ideational factors on China's foreign policy changes since 2013.

Furthermore, although the poliheuristic theory belongs to the set of rational agent theories and the narrative theory of constructivism belongs to the reflectivist structure theories, it is possible for these two theories to work together. This study adopts an approach of analytic eclecticism, which holds that it is feasible to downplay the unresolvable metaphysical divides between different theories (Sil and Katzenstein, 2010). Moreover, this thesis uses these two theories in different cases. Although constructivism belongs to the reflectivist structure theories, the narrative theory belongs to the thick constructivism that can be categorised as reflectivist middle-ground theory, and thus the narrative theory is compatible with investigations from the domestic perspective. Furthermore, the poliheuristic theory has psychological characteristics, and it is possible for a psychological and ideational approach to work together with constructivism (Houghton, 2012). Additionally, Wendt's (1999) work proves that having a bridge between rationalism and reflectivism is possible (Checkel, 2004).

Due to the challenges associated with collecting the relevant data, this thesis declines to adopt a personal-level approach to analyse China's foreign policy changes since 2013, although this time point (Xi became the supreme Chinese leader in 2012/2013) makes leadership transition a possible influential factor in this foreign policy change. Personal-level approaches have limitations, as it is difficult to access personal materials that would allow scholars to analyse individuals' psychological characteristics and activities. For instance, no published autobiography or private diary of Xi is available, and memoranda of senior official meetings and debates are rare or inaccessible.

3.2 Methodology

The fields of IR and FPA adopt different methodological approaches. Two of the four great debates in the history of IR relate to the controversies between different methodologies and

epistemologies: the first is the debate between traditionalism and behaviourism, and the second is the debate between rationalism and reflectivism.

The traditionalism-versus-behaviourism debate is responsible for the separation between FPA and IR (Morin and Paquin, 2018). The behaviourism approach uses formal modelling to construct theoretical claims and employs quantitative tools to test these propositions empirically (Bull, 1966), while traditionalists are sceptical about the utility of pure scientific methods in IR on the grounds that understanding and intuition are necessary for areas where the human purpose is involved (Kaplan, 1966). At present, the methodological debate in IR tends to take the form of a conflict between qualitative and quantitative methodologies (Li, 2018). Quantitative research consists of empirical studies that collect, display, and analyse numerical data, while qualitative research, as the antithesis of quantitative analysis, constitutes everything that does not pertain to numbers (Donmoyer, 2008). Examples of quantitative techniques include probability, statistical inference, ordinary least squares regression, Bayesian statistics, content analysis and causal inference techniques (Li, 2018). Meanwhile, qualitative methods encompass archival research, case studies, content analysis, focus groups, interviews, participant observation, process tracing, and questionnaire surveys (ibid). Although quantitative methodologies have gained more prominence in IR and FPA in recent years (Moravcsik, 2014; Morin and Paquin, 2018), qualitative methodologies continue to play a significant role in these fields.

The rationalism-versus-reflectivism debate is concerned with norms, values, history, and meanings. Rationalism focuses on formal models, transaction-cost analyses and other realistic, rational and calculative behaviour, while reflectivism emphasises inter-subjective meanings, history, values, norms and social practices (Keohane, 1988).

As noted by Fairclough (2009, p. 169), “There are no ‘right answers’ to the question of which theoretical perspectives to draw upon: it is a matter of researchers’ judgement about which perspectives can provide a rich theorisation as a basis” for the investigation. This study agrees with Friedrichs and Kratochwil (2009) and Sil and Katzenstein (2010) in that scholar should move beyond the epistemological deadlock in IR by adopting a pragmatic approach of analytical eclecticism, regarding pragmatism as capable of generating useful and practical

knowledge and insights. Friedrichs and Kratochwil (2009) criticised the standard methodologies of rationalism and behaviourism for being based on ontological realism and correspondence theory. They (ibid) argued that the subject always plays a role in the constitution of the object, making direct testing against reality less effective and sometimes even impossible; hence, they regarded ontological realism, which believes that reality is objective, and the correspondence theory, which holds that truth corresponds to reality, as inadequate foundations for IR. Sil and Katzenstein (2010) commented that the debates among different schools magnify a widening crack between IR theory and realpolitik problems and practises. Scholars are too focused on theoretical issues and overlook real-world challenges such as analysing and predicting specific foreign policies (ibid). Sil and Katzenstein (ibid) called for more scholars to adopt the analytical eclecticism, utilising theories from different and even contradictory research traditions and paradigms to generate complex explanations of complicated real-world political issues involving numerous factors.

This paper favours the approach of analytic eclecticism for its capacity to incorporate theories from diverse and potentially conflicting research traditions and paradigms to construct intricate arguments and explanations and for its ability to address real-world problems that are more complex, convoluted, and broad-scoped (Sil and Katzenstein, 2010). While acknowledging the importance of theory and philosophy, this thesis adopts an approach of analytic eclecticism because the research questions are more focused on a practical investigation of certain phenomena than a theoretical problem. The eclectic approach aligns well with the methodology adopted in this study, which aims to analyse different cases separately. Moreover, the reflectivist theory will be combined with research methods compatible with reflectivism, such as discourse analysis, and the rationalist theory will be combined with methods that are not in contrast with its methodology and epistemology, such as case studies.

Regarding the relationships between ideational factors and material factors, I am inclined to agree with the argument of constructivists and post-structuralists that, in the realm of international politics and foreign policies, the effect of material variables is profoundly contingent upon the meaning attributed to them (Hagström and Gustafsson, 2019). The interpretation of international issues, which shapes the way in which they should be

responded to, is contingent upon the interpretations made by actors who are influenced by their cultural, historical, and social backgrounds (Blyth, 2003). However, this does not mean that this study radically rejects the existence of a causal relationship, ignores the importance of the material world or claims that ideational factors outweigh material ones. In contrast, this study tries to avoid falling into debates involving these issues and seeks to focus on the real world. In other words, in using narrative theory, this thesis will focus not on causal but on constructive relationships.

This thesis will employ a series of qualitative mixed-method case studies, utilising the documentary method to collect data. The first part of RQ1 will be investigated through a comparative analysis to determine the differences between China's foreign policy before and after 2013, and the second part of RQ1 will be examined through a document analysis to identify the most influential factors in China's foreign policy change. The remaining three research questions will be analysed qualitatively through case studies, employing the poliheuristic theory and the narrative theory. The next section will offer a detailed explanation of case selection, data collection and data analysis.

3.3 Research methods

The methods adopted in this study are those used by previous scholars in the fields of IR and FPA. A primary weapon in the arsenal of IR and FPA researchers is the case study (Potter, 2017), which has been used in several studies. The case study can be defined as generating knowledge through a detailed and in-depth examination of one case or cases. Numerous scholars have also used process tracing as an important tool in the case study method (Checkel, 2008). Process tracing involves generating observable hypotheses of a theory; these hypotheses theorise processes, and researchers then check whether reality is consistent with the hypotheses (Rohlfing, 2013). If there are inconsistencies between reality and the hypotheses, it proves that the explanation based on the theory is wrong and that alternative explanations are needed (ibid). Apart from tracing the detailed development of a certain case during a given period under a particular circumstance, process tracing can also be employed in conjunction with comparative methods to test theories of processes that link causes and outcomes (Beach, 2018). There is a tradition in the fields of IR and FPA to rely on document

data to conduct analyses of Chinese foreign policy. For instance, Whiting's (1968) book relied mainly on official Chinese news, and the primary sources of Kim's (1979) work were documents recording China's votes in the United Nations (UN). Content analysis and discourse analysis are also useful tools for IR and FPA scholars. Content analysis usually involves quantifying certain words, themes, and concepts to analyse a set of texts quantitatively or qualitatively (Bengtsson, 2016). For instance, Zhang and Boukes (2019) used content analysis to investigate how the perspectives and frameworks of reporting used by Xinwen Lianbo, a prestigious TV news programme that is one of the CCP's key propaganda tools, portray images of western countries. With the "constructivist turn" in IR, discourse analysis methods have attracted an increasing amount of attention from IR scholars (Harrison and Callan, 2013). Such methods aim to identify the meanings of language in context and are used by researchers to "analyse the language of political actors to reveal what it says about the actors' perceptions of the world and their roles in it" (ibid, p. 3). Discourse analysis is the standard analytical tool for reflectivist and constructivist research in IR (Lundborg and Vaughan-Williams, 2015). Comparative analysis also holds an important place in social and political science research (Porta, 2008). Comparative analysis aims to keep all potentially disturbing elements as constant as possible in order to identify relationships between the variables (ibid).

3.3.1 Case selection

A case study is "an intensive study of a single unit to understand a larger class of (similar) units" (Gerring, 2004, p. 342). The notion of "unit" is defined as a spatially bounded phenomenon observed at a single point in time or over a limited period, like a nation-state, foreign policy change, or political party (ibid). Gerring (ibid, p. 342) defines a "population" as consisting of the "sample", or the cases studied as well as those left unstudied, and a 'case' "is comprised of several relevant dimensions ("variables"), each of which is built upon an "observation" or observations".

Based on Gerring's definition, Xi's diplomatic policies, which differ from those of the previous leaders in going against the principle of *taoguang yanghui*, represent the "population" of this study. Based on the previous definition of foreign policy change and the focus of this thesis, the "population" of this study can be narrowed down to the significant diplomatic actions

after 2012/2013, with the overall period of case selection being from the beginning of 2013 to 2020.

Based on this standard, naval confrontations between China and the Philippines have not been selected as a case study because there were already conflicts in the SCS between the two countries before 2013. The case of the SCS has been selected because there has been an escalation of the SCS dispute since 2012/2013. From the Chinese government's perspective, according to a study by Fu Ying, who was the deputy foreign minister of China from 2009 to 2013, and Wu Shicun, the current president of the China Institute of South China Sea Studies, the SCS tensions started to build up in 2009 and have escalated after 2012 (Fu and Wu, 2016). This study will mainly investigate the escalation since 2012/2013. For instance, China's construction of artificial islands since 2013 represents one case of this "population" as such an action was unprecedented for China in the decade after the signing of the Declaration on the Conduct of Parties in the South China Sea (DOC) in 2002. As another example, the 2014 speech made by China's foreign minister, Wang Yi (2014a), in which he declared that China is willing to strengthen cooperation with African countries, is not in the "population" of cases because this change represents an adjustment and not a significant change. Xi's 2013 proposal to launch the OBOR initiative (China.org.cn, 2013a) counts as a case, while the Karot Hydropower Project and the Silk Road Fund are not cases because they are projects under the OBOR. The OBOR counts as a strategic change and is, hence, selected as a case study.

After identifying the case population, I decided not to analyse the full set of cases in that population but rather select a subset of them. I made this decision because any research project would need to collect a large amount of data to analyse a significant foreign policy change, and limitations of time and word length make it impossible to investigate all the cases in the "population" of the significant foreign policy changes.

Seawright and Gerring (2008) provided useful insights into case selection criteria: the most similar case, the most different case, the typical case, the deviant case, the extreme case, the diverse case, and the influential case. RQ2, RQ3 and RQ4 are investigated through three main case studies, and the standard of case selection for each question is typical. The alignment with the respective research questions is also considered in the case selection process.

There are two reasons for selecting the OBOR to answer RQ2. First, the OBOR is one of the central constituents of Chinese statecraft launched by Xi in 2013 (McBride, Berman, and Chatzky, 2023). Xi's vision of the OBOR includes the creation of a vast network of infrastructure encompassing around 60 countries, including the overland Silk Road Economic Belt and the Maritime Silk Road. Second, compared to the OBOR, other economic projects such as the Asian Infrastructure Investment Bank (AIIB) involved less participation from the Chinese authorities. Therefore, the OBOR is more representative and typical in exemplifying how domestic political considerations influence foreign policy decisions in China. This study will not investigate the entirety of the OBOR initiative but rather focus on the decision making procedure for launching it.

This case contributes to revealing the relationship between China's assertive foreign policy change and domestic political security by analysing the relationship between the domestic drivers of OBOR and the regime's economic and security challenges. It also aids in displaying the importance of domestic political security considerations in the Chinese government's foreign policy selection process by comparing the OBOR initiative with other projects, such as the Regional Comprehensive Economic Partnership (RCEP) and the China-Japan-South Korea Free Trade Agreement (FTA).

For RQ3, I examine China's more assertive action in the SCS since 2013, which is a typical case of sovereignty and security. Although the concept of the China Dream also has a close relationship with nationalism, it tends to be used in China more as an ideological concept than a foreign policy. According to Dixon (2014), in dealing with China's irredentist claims about sovereignty in the East and South China Seas, nationalism has been an influential ideological factor. China has invoked so much nationalism over the SCS issue that its policy options have become constrained (Yahuda, 2013). Thus, this case is a representative example of the relationship between nationalism and China's sovereignty and security policy.

The SCS case enables an investigation of how the altered narrative in the SCS influences the shift in China's foreign policy in this region. This case study aids in examining the complex relationships that exist between nationalism, perceptions of international affairs, how to

interact with the external environment, and China's foreign policies, which are relevant to national security and territorial integrity.

To answer RQ4, the case of the Sino-US trade war has been selected, focusing specifically on the negotiations over the reform of SOEs before and during the signing of the Phase One Agreement. The case of the SOE reform in the 1990s and early 2000s has also been included, as investigating RQ4 involves determining the influence of changed national economic interests through a comparison between China's attitude towards SOEs in the World Trade Organisation (WTO) entrance negotiations and that in the Phase One Agreement negotiations. Moreover, considering the importance of SOEs in China and the Chinese economy, the shifted attitude towards SOEs can be regarded as a typical case of China's new economic foreign policy.

This case study allows for an exploration of how China's new economic interests impact its adjustments to its SOE policy. It explores the differing effects of economic interests on two scenarios: China's consent to reform its SOEs in order to enter the WTO and its denial of implementing similar reforms during the Sino–US trade war. This analysis can demonstrate how China's changed economic development interests have affected the development of Chinese economic foreign policy since 2013.

Moreover, these three cases, as representative cases of China's strategic shifts since 2013, could together constitute a representative case study of China's foreign policy change since 2013. This study also focuses on interrelationships among these three core interests to comprehensively investigate the influence of China's core national interests on its foreign policy change. For instance, when investigating the OBOR case, nationalism and economic development interests are discussed, and the study of the SCS case includes the relationship between regime security and nationalism. The SOE case study also discusses the interrelationship between regime security and economic development.

Furthermore, other cases have been considered for RQs 2, 3, and 4. For instance, the North Korea case was considered for RQ2 because researchers such as Tsang (2020) have argued that China's North Korea policy has been deeply influenced by its domestic security concerns. However, China's policy towards North Korea has not strategically shifted. Although a decline

in their relationship occurred in 2017, it has improved since Kim Jong Un's visit to China in 2018 (Reuters, 2018a). Thus, I chose the OBOR case instead of the North Korea case. Furthermore, the East China Sea case was considered for the investigation of RQ3. However, investigation revealed the SCS case to be more representative of China's changing actions, because the Chinese have long held negative attitudes towards Japan. Therefore, the SCS case was selected. Made in China 2025 is viewed as a less representative case than the trade war one for investigating how domestic economic considerations influence China's changed foreign policy. SOEs are vital for China's public ownership economy and socialist political system. SOEs have been and will remain central to China's economic reform. Made in China 2025 is less significant for the Party and government in comparison with the SOEs, which are the foundation of China's ownership system and the most critical tools for the government to intervene in economic activities. Thus, China's changed attitude towards SOEs when interacting with foreign actors could better illustrate how domestic economic considerations affect China's foreign economic policies.

In addition, certain findings of specific cases may not be applicable in other cases. For example, the findings on how political security concerns affect OBOR may not apply to China's decision to further open its domestic financial market to the outside world, because China does not believe that the further opening up of its financial market will significantly negatively impact its political security (Ndrc.gov.cn, 2017); thus, economic development considerations dominate the decision to further open the financial market. In other words, the conclusions generated from cases where concerns over domestic political insecurity are not the most important factor would differ from those in cases where such concerns do play the most vital role. The findings from the SCS case on how changes in the content of nationalism affect China's territorial policies may also not be applicable to how changes in the content of Chinese nationalism affect the decision making process behind the OBOR. Furthermore, some findings about how China's new economic interests affect shifts in its economic policy may not be applicable to the relationship between economic interests and foreign policies related to sovereignty and territory.

Nevertheless, this does not mean that the results of the OBOR case cannot be applied to other major foreign policy shifts wherein domestic political insecurity considerations prevail. The

East China Sea case could also possibly generate similar findings to the SCS case on the mechanisms between changes in the contents of nationalism and China's foreign policy on territorial disputes. Made in China 2025 could also generate a similar argument as the SOE case, in that the new economic interests drive China's economic foreign policy change. In summary, determining whether different case studies will have similar results primarily depends on the dominant influencing factors and research perspectives used for analysis.

3.3.2 Data collection

This section explains how the data has been collected for this study. The main data collection method in this thesis is document collection. Document resources have traditionally constituted the mainstream type of data for studying Chinese diplomacy (Carlson and Duan, 2010). According to Freeman and Maybin (2011, p. 156), it is impossible to "understand government without understanding documents". There are four reasons for which documents constitute the main type of data for this kind of research. First, document data is vital for the operation and maintenance of governmental bureaucracy itself and it is through documentary channels that foreign policy decisions are made (Freeman and Maybin, 2011). Thus, documents constitute an excellent type of data for investigating Chinese foreign policy changes. Second, documents provide an efficient way of tracking policy change, as almost every event leaves a written trace (Bowen, 2009). Third, as stable data sources, documents can be read and reviewed multiple times while remaining unchanged due to the researcher's research or observation (ibid). Fourth, a document "is arguably the most pervasive, and certainly the most persistent— artefact of political behaviour" (Monroe and Schrodt, 2008, p. 351). In other words, for policy analysis, documents constitute the most abundant type of data. Due to these features, documents represent highly manageable and practical resources for this study.

Primary and secondary sources were used in this work of research. The primary resources include news reports, interviews and speeches, official documents published by the state, statistics from well-known organisations, such as the unemployment data offered by the World Bank, and public documents presented by authoritative newspapers. The official documents produced by the state include government reports, including reports from government-led think tanks; statistics; leaders' speeches and articles; policy documents;

records of official meetings and forums related to the OBOR initiative, the SCS and the China and US trade war and official announcements or statements. The statistical and survey data collected by other researchers and institutions, such as data on tax, productivity, and unemployment rates, was also used in this study.

The secondary resources include relevant journals, think tank reports, books, and encyclopaedia articles. Newspaper editorials and commentaries were also treated as secondary resources. Secondary resources that explain or examine Chinese foreign policy can be used to identify the background and institutional context of the decision making process. Thus, secondary resources were useful supplements for this study.

This study made use of government websites and datasets to collect official data and electronic versions of official documents, as such websites are easier to access than offline archives. Online databases have also been used for this study. The mainly accessed databases are the *People's Daily* Online database (Rmrb.egreenapple.com, 2020) and the China Digital Library database (Apabi.com, 2020), which was used to collect the *People's Daily* (Renmin Ribao, 人民日报) reports from 2007 to 2014.

Moreover, for statistical data, the online resources this study used include but are not limited to the data offered by the official websites of governments (such as the Chinese National Bureau of Statistics), the UN website, and the World Bank website. It also used statistical data from reliable news, academic journals, working papers and reports, such as BBC news website, the Harvard Business Review website, published articles and books and reliable international institutions' reports (such as International Monetary Fund). It also used the governmental statistical data aggregated and visualised by Statista, a leading online platform for gathering and visualising available third-party data and providing market and consumer data. The financial data provided by FactSet Research Systems Inc. was used as well. FactSet is a company that offers financial data and content for global financial experts, encompassing both buy-side and sell-side domains. Furthermore, both Statista and FactSet are included in the University of Edinburgh's library database and dataset collection, which means that these two can be regarded as reliable statistical data sources for academic research.

For news resources, this thesis used multiple sources. This study used the *People's Daily,* which was the most authoritative newspaper in China, as the official voice of the CCP. The websites of the Xinhua News Agency (the official state news agency of the PRC) and the *South China Morning Post* (a Hong Kong-based well-known English newspaper) were also used. Nevertheless, as China's news resource, the *People's Daily*, Xinhua News Agency and *South China Morning Post* may avoid expressing news threatening the government's authority. I have also drawn on non-Chinese news resources, such as Reuters, the *Financial Times* and the BBC news sites, to make the data more comprehensive and representative.

The thematic analysis of the SCS narrative in Chapter Six mainly uses reports from the *People's Daily* to investigate changes in China's official narrative towards the SCS. The thematic analysis is used in Chapter Six because RQ3 addresses the constitutive relationship between nationalism and foreign policy change, and it can be utilised to investigate the narratives and narrative changes related to nationalism. The *People's Daily* is generally regarded as the official voice of the CCP, and I use the *People's Daily* database and the China Digital Library database to collect Chinese news reports from the *People's Daily* from 01 January, 2007, to 31 December, 2014. I needed to use both databases because the *People's Daily* database only contains news from 1946 to 2012, while the China Digital Library includes *People's Daily* news from 2013 to 2016. The period from 2007 to 2014 was selected because the present study aims to compare changes in the SCS narrative before and after 2012/2013 and to verify whether this method is feasible. For the verification purpose, I select two symmetrical periods: one from 01 January, 2007, to 31 December, 2010, i.e., approximately two years before and two years after 01 January, 2009, the year in which tensions began to build in the SCS, and the other from 01 January, 2011, to 31 December, 2014, which extends approximately two years before and two years after Xi assumed power at the end of 2012 and the beginning of 2013. This chapter selects 2014 rather than 2015 as the end of the second period because 2014 was when China began building artificial islands on a large scale. In other words, after 2014, the SCS foreign policy had already changed. Therefore, I choose to investigate the period from 01 January, 2007, to 31 December, 2014, which covers eight years. Moreover, for the thematic analysis of RQ3, before carrying out an analysis of the content of the newspaper, it is crucial to prove that the narrative carried by news reports is related to the government's SCS policy. I plan to identify whether there were two obvious changes in the SCS news around

2009 and 2013 and whether the news change that happened in 2013 was greater than that in 2009. This is because, according to my research, there have been two changes in the Chinese SCS foreign policy over the last decade or so. A tactical diplomatic change started in 2009 under Hu's leadership, and a strategic foreign policy change occurred after Xi assumed power. In other words, there were separate changes in the SCS foreign policy around 2009 and 2013, and the 2013 change is significantly greater than the 2009 one. In the analysis, I will check whether there are not only statistical differences but also content-level differences.

The Chinese word 南海 (Nanhai, SCS) is the keyword that was used to search the *People's Daily* database and the China Digital Library database for relevant news on the SCS. The criteria for news selection were as follows: First, news that is mainly about the SCS was selected, and news containing very little content on the SCS was discarded. Second, news relevant to the influence of the SCS problem on China was selected. For instance, news about development in the Gulf of Tonkin was selected. Although the main themes of much of the Gulf of Tonkin news related to the economic development of the Chinese province of Guangxi, considering that the Gulf of Tonkin is located to the southwest of the SCS, news about the Gulf of Tonkin was included. News on the maritime economic development of the Hainan province through exploiting and developing the SCS, such as the SCS travel and oil industries, was also selected. Third, news about meetings between Chinese and Vietnamese leaders was included if the leaders discussed the SCS disputes in their meetings.

This study collected 582 news items related to the SCS from the *People's Daily* database and the China Digital Library database. There were 40 news items about the SCS in 2007, 18 in 2008, 27 in 2009, 47 in 2010, 77 in 2011, 94 in 2012, 137 in 2013 and 142 in 2014.

Furthermore, this study originally aimed to conduct in-depth interviews to collect data, mainly for RQ2, on how regime factors influenced China's foreign policy change. The plan was to conduct 10 in-depth, semi-structured interviews, with five Chinese scholars of Chinese foreign policy and the OBOR initiative and five senior officials from the National Development and Reformation Commission, the Ministry of Commerce, and the Ministry of Foreign Affairs. The National Development and Reformation Commission, the Ministry of Commerce and the Ministry of Foreign Affairs are the leading government organs pursuing the OBOR initiative

(Yu, 2018). Based on the interviewees' answers, I would then be able to ask more questions. The interview would have been carried out through a "snowball" kind of sampling: I would find one informant who was an expert on Chinese foreign policy – for example, Professor Xin Qiang from Fudan University, who expressed willingness to accept the interview when I first contacted him in 2020 but, for reasons explained below, declined to be interviewed when I got back in touch in 2022. I planned to conduct the interviews in 2022 because, by that time, I would have gained in-depth knowledge of Chinese foreign policy from my analysis of the relevant documents in the third year of my PhD programme. The investigation part would first be carried out in Edinburgh, and the fieldwork part was intended to be done in Beijing. I received ethics approval on May 02, 2022, and was granted three months to conduct the interviews, as no reasonably foreseeable ethical risk was identified in the proposed fieldwork.

Conducting sensitive interviews with scholars and politicians during 2022, however, proved to be a daunting task due to China's strict COVID-19 policy and the political climate surrounding the 20th National Congress, which took place between October 16 and 22, 2022. The majority of influential scholars and politicians are located in Beijing, and thus, the interviews would have had to be conducted there. However, due to the strict COVID-19 restriction policy in 2022, very few international airlines were able to land in Beijing. Hence, I decided to land in Zhengzhou. I attempted to find interviewees and reach people via email in Zhengzhou from May to July.

Travel restrictions and lockdowns made it exceedingly difficult to gain access to Beijing from Zhengzhou. Lockdowns in Zhengzhou occurred from May 04 to 11 of 2022, and Beijing was placed under lockdown from May 12 to 15. In June, Beijing was deemed to be at middle to high risk for Covid-19, and government regulations restricted individuals from travelling to middle- to high-risk areas unless it was absolutely necessary; residents of middle- to high-risk areas were also barred from leaving their locality to journey to other cities. Unfortunately, the Beijing officials considered my situation to not be absolutely urgent and necessary; thus, I could not enter Beijing. In the month of July, Zhengzhou was also categorised as a middle- to high-risk area, further impeding my ability to travel to Beijing.

Finally, in August, I was able to enter Beijing, but I only had one month left to conduct the interviews. Moreover, the political atmosphere at the time was fraught with sensitivity. This was due to the upcoming 20th National Congress, which held particular political significance. The previous practice was that the Chinese president should only remain in power for ten years, which means that Xi Jinping would have been expected to step down at this Congress. Although Xi had successfully reformed the Constitution and legitimised his "perpetual presidency" before, the atmosphere was still sensitive. Consequently, individuals were cautious and circumspect in responding to requests for interviews, particularly those with politically sensitive content.

Despite my efforts to contact scholars and high-ranking officials, I was unable to find willing interviewees. In order to overcome the challenge of being unable to conduct direct interviews, I implemented an alternative approach to gather valuable insights. I collected interviews conducted with politicians and scholars; read speeches, articles and books by Chinese politicians and read and watched podcasts, videos, news website content and articles by famous China observers and scholars. By collecting these data, I sought to compensate for the absence of first-hand interviews.

3.3.3 Data analysis

In this section, I introduce the different analytical tools used to answer RQ1, RQ2, RQ3 and RQ4. The methods include document analysis, content analysis, discourse analysis, process tracing and comparative analysis. The most general method of analysis employed in this thesis is document analysis. "Document analysis is a systematic procedure for reviewing or evaluating documents" (Scott, 1990, p. 12) and interpreting documentary data to obtain understanding and develop knowledge (Bowen, 2009).

The analysis of the first part of RQ1 aims to show whether China's foreign policy has changed after 2012/2013 by comparing China's foreign policy before and after that time. Tilly (1984) distinguished four types of comparative analysis: encompassing, individualising, universalising, and variation-finding. The RQ1 analysis adopted the method of individualising comparison, which entails analysing "a small number of cases in order to grasp the peculiarities of each case" (Tilly, 1984, p. 82). It includes a detailed observation of the

characteristics of the cases being investigated (ibid). Based on the results, the investigation of the second part of RQ1 aims to identify the main factors driving foreign policy change. This study employs document analysis to clarify the causes of dissatisfaction with previous foreign policy strategies as well as the factors that influenced the development of a new diplomatic strategy. It adopts the theoretical framework of national interests to investigate how rising concerns about regime security, the shift in the mainstream idea of nationalism and domestic economic problems led to the changed views on China's national interests, resulting in a shift in diplomatic strategy. The document analysis used to investigate this question drew on official documents issued by the government, such as leaders' speeches, white papers and other secondary data. Discourse analysis was also used to reveal and investigate the indirect meanings behind the leader's texts with reference to their contexts.

RQ2, dealing with how considerations of regime stability influenced China's decision to launch the OBOR initiative, investigates the decision making procedure of Chinese foreign policy using the framework of the poliheuristic theory. This question was analysed by the methodology of "process tracing", which is "a data analysis method for identifying, validating, and testing causal mechanisms within case studies in a specific, theoretically informed way" (Reily, 2010, p. 735). According to Checkel (2008), process tracing involves tracing the development of a certain case during a given period under a given situation. Researchers first generate an explanation and then carefully map the process to investigate how the situation of the case aligns with the previously theoretically derived expectations. This method is widely used by scholars to apply the theoretical toolkits of rational choice and constructivist theories to analyse problems (Checkel, 2008). Methodologically, process tracing offers a toolkit to investigate the mechanism of change in detail (Reily, 2010). This method directs researchers to trace the process of change in a very specific, theoretically informed way, which involves identifying variables and steps in the case under the guidance of the theoretical hypotheses (Checkel, 2008; Reily, 2010). Reily (2010) highlighted that this method is particularly applicable to studies that analyse decision making procedures, such as foreign policy studies. Thus, this study chose process tracing for the case studies, especially for those examined through RQ2 and RQ4.

The process-tracing method of this study works as follows: First, I generate an explanation, based on the poliheuristic theory, of the reasons behind the launch of the OBOR initiative and then analyse the decision making procedure of the OBOR initiative in order to explore points of congruence and incongruence between the expectations and the observations about this case. If there are major inconsistencies between the theoretical and in-reality intermediate steps, the theory and explanations will be falsified.

Mintz's poliheuristic theory is used to study the decision making mechanism of the OBOR initiative. The hypothesis put forward using this theory is that the political survival of the one ruling party regime is the primary consideration in the initial filtering of policy alternatives. The options and counterarguments against the achievement of this goal will be rejected at the first stage of decision making. Thus, if other factors, such as diplomatic or military concerns, play a more significant role in this process, the poliheuristic theory will be deemed unsuitable for this case study. Moreover, the poliheuristic theory assumes that, in the second stage, politicians use the expected utility theory and the lexicographic decision rules to evaluate the costs and benefits of each option and make the final choice. Due to this consideration, the second stage of the OBOR decision includes an evaluation of the cost and benefits of the OBOR project.

RQ3, which relates to how nationalism affects China's SCS policy change, is addressed through a multi-stage analysis. Given the controversy over whether the degree of nationalism in China has, in fact, been rising (see Chapter Two), the first stage of the process of answering RQ3 adopts a perspective that emphasises the content rather than the degree of nationalism. This approach is rooted in Weiss's (2019) argument that the influence of Chinese nationalism on foreign policy is determined not only by its intensity but also by its ideological content. Thus, this stage seeks to provide a nuanced understanding of Chinese nationalism through an examination of the evolving narrative frameworks that shape it. The findings from this stage will inform subsequent investigations aimed at examining the impact of nationalism on China's foreign policy decisions. It also utilises the methods of discourse analysis to examine the narrative of mainstream Chinese nationalism and its evolution over time to identify any change.

Discourse analysis investigates the interpretive and hidden meanings of texts (Neumann, 2008). Since the "constructivist turn" in IR, this methodology has attracted an increasing amount of attention from IR scholars (Harrison and Callan, 2013). Checkel (2004) and Jorgensen and Phillips (2002) agreed that discourse analysis can be applied to constructivist IR research related to knowledge, identity, and narrative, where Checkel (2004, p. 12) defined "discourse as the mediation of meaning through language, speech acts and textual analysis". The term "discourse" is often used in different senses, including "a) signification as an element of the social process; b) the language associated with a particular social field or practice (e.g., political discourse); c) a way of constructing aspects of the world associated with a particular social perspective (e.g., the neoliberal discourse of globalisation)" (Fairclough and Fairclough, 2012, p. 81). In this study, China's SCS policy change can be best described in terms of c), which implies that the SCS foreign policy change is a socially constructed discursive political process associated with a particular practice.

In the second stage of answering RQ3, I use thematic analysis to investigate how the *People's Daily* has constructed the issue of the SCS since Xi Jinping assumed office and whether the frame of the SCS narrative has changed. After identifying the major constituent narratives that can be observed within the three major types of Chinese nationalism, identified by Zhao (2008) as liberal nationalism, pragmatic nationalism, and popular nationalism, I use these different narratives of Chinese nationalism as codes for re-categorising the SCS reports.

Thematic analysis, as a type of qualitative content analysis, is a systematic approach to analysing qualitative data, and it usually involves identifying themes within the data (Lapadat, 2010). This method aims to highlight the patterns of meaning or themes of texts to analyse and interpret them; it is inductive and more focused on the interpretive meaning of the text (Tight, 2019). Thematic analysis involves reading the texts to observe and find patterns of meaning, such as how the Chinese government makes decisions to protect Chinese sovereignty in the SCS, in order to identify the key themes in texts with similar patterns, summarising the patterns, such as the protective role of the Party and Government, and coding the texts using these themes as codes. In this process, themes can be clustered together; for instance, the theme of calling for economic cooperation and the theme of

aiming to peacefully resolve disputes can be clustered under the theme of China as a defender of peace and development in the SCS. The researcher can add new themes to the codebook.

I devised the codebook for the thematic analysis. I generated an initial list of themes by reading a certain number of news reports on the SCS and applying this theme list to code other news reports. The list of themes employs shorthand labels to describe the content of individual paragraphs using the NVIVO software. The reason for choosing the paragraph rather than the whole article as the coding unit is that an article typically expresses a number of different themes: for instance, one *People's Daily* report on the SCS can include content on China being the victim in the SCS dispute and that on resisting great powers such as the US, which manipulate the SCS dispute to balance China by encouraging the Philippines to stir up the SCS territorial conflict.

During this procedure, as new themes emerged from the texts, they were continually added to the codebook. I initially coded news items on the SCS from 2014 because they made up the largest number. Then, I coded news reports from the other years based on the coding categories I had generated from the 2014 news. During this process, I also added new categories to my codebook whenever I came across topics that were not already contained in it.

I then used different narratives of Chinese nationalism to re-categorise the themes. For instance, the theme of praising Chinese soldiers in the SCS and the theme of the government's active defence of its sovereignty in the SCS were classified under "party and state leadership". The criteria for re-categorising will be introduced below, after I briefly present the six types of constituent narratives. The same news item can be coded and re-categorised more than once: for instance, a single news item containing both anti-great power content and victim content will be categorised twice.

This study identifies six narratives of mainstream Chinese nationalism, which different Chinese nationalists have selectively combined to forge different nationalistic narratives. These six narratives are as follows: the anti-great power narrative, the pro-foreign countries

narrative, the victor narrative, the victim narrative, the pride narrative and the leadership of the Party and Government narrative.

According to Cabestan (2005), there are two Chinese nationalistic narratives. The pro-western narrative is that Chinese culture has intrinsic flaws and that China's development can come about only through learning from the west and building a good relationship with western states (ibid). The other one is the anti-western narrative, which claims that the Chinese civilization experienced a century of humiliation due to the imperialist powers and, thus, the Chinese must heal the past suffering and revive the greatness of old China through self improvement (ibid). However, the second narrative is better termed an "anti-great power narrative", as China was invaded and partly colonised not only by the UK, France, Russia, Germany and the US but also by Japan, which is not a western state. Applying the same logic, the "pro-foreign countries narrative" is a better name for the narrative that China's peace and development are or need to be achieved by communicating and maintaining good relationships with the outside world. Wang (2012) identified a victor narrative and a victim narrative in Chinese nationalism. The victor narrative emphasises that China won its war of independence, protected its interests against great foreign powers, and succeeded in ensuring economic and social development. The more recently introduced discourse of the "Chinese nation's great rejuvenation" can be categorised as a victor narrative. The victim narrative emphasises that China was a victim of the outside world and that many foreign countries still hinder China's development and rejuvenation (Wang, 2012). The assailant need not necessarily be a great power or a developed western country: any external power can be an assailant. For example, China used to be described as a victim in the SCS dispute because the other claimants took advantage of China's kindness to obtain benefits for themselves (e.g., Yang, 2016). Additionally, I believe that there is also a pride narrative, which is that China is a large and beautiful country with a glorious history, culture, and civilisation. The collective memory of a "heroic" past is an important and inseparable component of the construction of any nationalism (Malinova, 2021; Smith, 1994). In other words, the pride narrative is also a constituent narrative of Chinese nationalism. According to Zhao (2004), the current Chinese nationalistic narrative also includes the Party's leadership. The content of this narrative, as put forward by the Party-state, can be summarised as follows: the Party is the liberator, defender, and leader of China, and without the Party, China could not have become an

independent country and achieved its “economic miracle” nor will it be able to attain the goal of the “great rejuvenation” of the Chinese nation (Wang, 2012; Zhao, 2004).

When I re-categorised the themes of the news reports in which I had identified narratives of anti-great power, pro-foreign countries, victor, victim, pride and the leadership of the Party and Government, my criteria were as follows.

Reports that were re-categorised into the anti-great power narrative cluster included paragraphs with themes that are similar to the following: (a) stating or hinting that a country is an adversary of China, (b) describing or identifying a country as a negative factor in the context of regional peace and stability in the SCS and (c) stating or hinting that a country supports China’s adversaries or stigmatises China’s behaviour in the SCS disputes. If a news report contained one of the above themes and the country in question was Japan, the US, the UK or one belonging to the European Union, I coded this news report as “anti-great power”. Since “great powers” in the anti-great power narrative refer only to developed western countries or Japan, even if a news item described countries such as Vietnam, Malaysia or the Philippines as jeopardising China’s interests, I did not code it as an “anti-great power” narrative but rather as a victim narrative.

News items that were re-categorised into the pro-foreign country narrative cluster included texts with themes similar to the following: (a) stating or hinting that China is a defender of regional peace and development in the SCS, (b) stating or hinting that a country is friendly to China;, (c) stating or hinting that a foreign country is a positive factor in regional peace and stability in the SCS and (d) stating or hinting that a foreign country disapproves of China’s adversaries on the SCS issue. If at least one of these features was detected in a news item, the item was viewed as containing the pro-foreign country narrative.

The victor narrative cluster includes news items with the following six themes: (a) stating or hinting at China’s SCS marine economic development, (b) stating or hinting that China protects its interests against foreign great powers, (c) stating or hinting at the happy life of the Chinese who live in the Hainan province or the Sansha city (both located in the SCS), (d) stating or hinting at China’s rejuvenation, (e) stating or hinting that China is winning support

from foreign countries in the SCS dispute and (f) stating or hinting that China is achieving peaceful development.

The victim narrative cluster includes news items with the following five themes: (a) stating or hinting at China's century of humiliation or its history of being bullied by the western powers and Japan, (b) stating or hinting that foreign states set up obstacles to prevent China's rise, (c) stating or hinting that foreign states have aggravated the SCS problem, (d) stating or hinting that foreign states have used China's restraint and goodwill to take advantage of China in the SCS disputes or to unilaterally change the current situation and (e) stating or hinting that other states have tried to defame China.

The pride narrative cluster includes news items with the following four themes: (a) stating or hinting that China is a large and beautiful state, (b) stating or hinting that China is rich in resources, (c) stating or hinting at China's glorious history, culture, and civilisation and (d) stating or hinting that China is contributing to peace and development in the SCS.

The leadership of the Party and Government narrative cluster includes news items with the following three themes: (a) stating or hinting that the Party and Government are taking action to protect Chinese interests in the SCS, (b) stating or hinting that the Party and Government are defending China's sovereignty over the SCS and (c) stating or hinting at the valiant efforts of the Chinese navy or maritime police in the SCS issue.

The third stage of answering RQ3 explores how China's changed nationalism has influenced the understanding of the relationship between China and foreign countries in the SCS issue and how this changed perception has made China act more aggressively. The goal of this stage is not to demonstrate causality but to investigate the constitutive relationship between the nationalism narrative and the Chinese foreign policy change. A causal argument is one whereby a change in independent variables leads to a change in dependent variables under specific circumstances and the influence is in a single direction. In contrast, objects in the constitutive relationship mutually influence each other (Peltonen, 2017). For instance, the Chinese government can fan popular nationalist sentiments, while nationalism can also affect government decisions. The analysis of RQ3 aims to examine Chinese nationalism and then

situate the SCS case study within the broader framework of changing perceptions of the interaction between China and other countries.

The investigation of RQ4, as to how economic factors influence China's changed attitude towards its SOEs, comprises two kinds of analysis: a comparative analysis and a process tracing analysis. The comparative analysis adopts the method of difference. According to Mill (2011), this method involves comparing two different outcomes taking place under similar circumstances to work out determine what is contributing to this difference. For instance, if phenomenon A occurs in situation B but is absent in situation C (the absence of A can be viewed as a different outcome), and situation C is similar to situation B, then by comparing situations B and C, researchers can determine the factors causing phenomenon A (ibid). The objective of answering RQ4 is to compare China's willingness to reform its SOEs while negotiating its entry into the WTO with its refusal to do so during the Sino-US trade war negotiations and to, in turn, investigate the change in China's SOE foreign policy during the trade war negotiations.

The process-tracing procedure for answering RQ4 is similar to that of RQ2, which is to first generate an explanation or hypothesis based on the poliheuristic theory and then analyse the case to check whether the explanation coincides with the facts of the case. The hypothesis of the poliheuristic theory applied in answering RQ4 is that economic considerations, specifically those relevant to regime security, are the primary consideration in the initial stage of filtering policy alternatives. In other words, the primary criterion at the first stage of decision making is excluding economic policies that are considered harmful to regime security and survival. In the second stage, Chinese politicians consider other aspects, including diplomatic challenges and economic issues, such as productivity.

3.4 Evaluation of the research design

A critical evaluation of the research design is a crucial step in any research study to ensure that the research results are reliable and countable. This part will begin by discussing the quality of the data selected, which will be followed by an assessment of the methods of data analysis used.

3.4.1 Assessment of data quality

The quality of data is a crucial factor to consider in any research study. This study adopts Scott's (1990) criteria to assess the quality of data in terms of authenticity, credibility, and representativeness. Authenticity refers to that a document is genuine and from unquestionable sources (Scott, 1990). Credibility means that the document is authoritative and accurate (ibid). Representativeness implies that the document is typical enough to represent most or all of the relevant documents (ibid).

The materials collected for this study can be considered authentic since they have clear sources in the form of published government documents, authentic news, and academic articles, which normally go through a process of fact-checking (Bryman, 2016).

With regard to credibility, Chen (2010) suggested that official Chinese data are largely reliable and that the Chinese government's deep penetration into society has improved its capacity to gather information, even citizens' private information. Although some scholars have criticised the credibility of official Chinese documents and statistics, as Chinese officials usually hesitate to report data related to government errors and statistics have previously been changed for political benefit (Carlson, Gallagher and Manion, 2010), Chen (2010) argued that, because the Chinese government functions normally, official documents that have been used by the government to make decisions should be reliable to a great extent. In the case of news reports, multiple sources are typically used to check the credibility of the news. If different newspapers report the same issue and the content of this issue is similar in different news sources, the news is credible. Moreover, this study selects news from reputable news institutions, such as the *People's Daily*, the BBC and Reuters, while favourably citing academic papers from well-known institutions such as famous think tanks, well-regarded universities, global non-government organisations and government departments to ensure the credibility of secondary resources.

With respect to representativeness, most of the statistical data is either from reputable nongovernmental and governmental organisations, such as the World Bank and the China National Bureau of Statistics, or generated by scholars such as Thomas Hout (2021). I also compared the data selected with other sources to improve its representativeness. For

example, if the content of the collected official OBOR initiative reports is not explicitly different from that of Xi's speeches on the OBOR initiative, considering Xi's status, his speeches can be regarded as representative. However, it is difficult to claim that the documents consulted in this study are typical of all relevant materials in the cases. This is because of the following reasons: First, Chinese bureaucrats are notorious for their secrecy (Chen, 2010). For example, I have no access to the memos of senior official meetings and debates, and few Chinese leaders publish their autobiographies and private diaries. Unfortunately, Xi, his colleagues and previous Chinese leaders, such as Hu Jintao, are not among the minority of Chinese politicians who have been willing to write autobiographies. I could neither collect nor access such data. Second, archives not contain everything, and research will always miss some materials (Tamboukou, 2016). It is highly likely that accessible databases and websites will not preserve all materials. This thesis deals with the problem of representativeness faced by every researcher attempting to source data from as many databases as possible. Despite this, some data may not be discovered or collected. For instance, I tried to visit Tianya and Baidu Tieba, which were the most popular online sites for Chinese citizens to discuss political issues between 2000 and 2010. However, the posts relevant to political issues had mostly been deleted, which made it difficult to collect primary data about Chinese popular nationalism and popular nationalists' views on the SCS. Consequently, this study used representative novels on nationalism such as *Wolf Totem* to investigate the narratives of popular nationalism.

3.4.2 Assessment of the data analysis methods

Process-tracing analysis can be considered reliable to a certain extent, as it allows for the testing of hypotheses. In this study, the analyses answering RQ2 and RQ4 support the applicability of the hypothesis provided by the poliheuristic theory. However, in reality, the mechanisms of causality are complicated. While theorising processes, although the model may be ideal and typical, one cannot guarantee that there are absolutely no other variants that are influential in the course of this process. Thus, for the sake of precision, I assert that such a method is reliable to a certain extent rather than claiming that it is 100% reliable.

Neumann (2008) noted that discourse analysis requires cultural competence. Fortunately, I possess such competency, as I am fluent in Chinese and familiar with the genres of the

relevant texts as well as with China's social and political setting. I can also carry out a discourse analysis of Chinese politics in the English language.

The comparative analysis conducted in this study is reliable as well. While comparing the change in China's foreign policy before and after the beginning of 2013, this study selected influential and typical cases, such as the change in China's guiding foreign policy strategy from *taoguang yanghui* to *fenya youwei*. When comparing China's SOE policy in the two selected periods, this study adopts Mill's method of difference, which provides the comparison with a logical basis.

The national interest analytical framework used to answer RQ1 is deemed reliable, as it overcomes the primary limitations of the national interest concept raised by Rosenau (1968). The main limitations of this concept are explained by Rosenau as follows:

> One is the ambiguous nature of the concept of "nation" and the difficulty of specifying whose interests it encompasses. A second is the elusiveness of criteria for determining the existence of different interests and for tracing their presence in substantive policies. Still another confounding factor is the absence of procedures for cumulating the interests once they have been identified. This is in turn complicated by uncertainty as to whether the national interest has been fully identified once all the specific interests have been cumulated or whether there are not other, more generalised values which render the national interest greater than the sum of its parts. (Rosenau, 1968, p. 37)

The official definition of Chinese national interests explicitly includes the interest of the ruling party: its own political survival. In other words, the Chinese national interests encompass the Party's political interests. Thus, the first limitation can be addressed if this thesis adopts the official definition. In terms of the second limitation, Rosenau (1968) argued that ascertaining the existence of national interests and tracking their manifestation within substantive foreign policies can be an elusive task. This thesis divides foreign policy change into two distinct classifications, and it focuses on strategic changes. The assumption of this study is that the presence of national interests is more readily discernible in significant foreign policies as

opposed to those of lesser significance. Generally, foreign policies of substantial importance are more likely to receive greater attention from the public, media, and other politicians. This is because important foreign policies often obtain more resources, such as financial, human, and diplomatic resources from the government, which means that they are subject to greater scrutiny by the public, media, and other stakeholders. On the other hand, unimportant foreign policies may be assigned to lower-level officials and cannot attract the public and media's attention. Secondly, the formulation of important foreign policies usually involves various government departments and non-government actors, such as well-known scholars, socially and economically influential individuals, and non-governmental organisations. The decision making procedure encompasses a range of stakeholders, which makes it hard to keep the decision making procedure inside a black box. In other words, as long as one person among these participants leaks the information that there is an important foreign policy proposal being discussed, then the media and public will inquire for details about this significant foreign policy. Furthermore, foreign policies of considerable importance are more prone to directly affect a nation's national security, economic, and ideological interests. Consequently, if a significant foreign policy is perceived to be against national interests, it is more likely to face strong domestic disapproval and massive protests. Thus, the greater attention, consultation and scrutiny associated with significant foreign policies make it more conducive for researchers to observe the presence or absence of national interests in these policies, and the extensive coverage of significant foreign policy changes in academic papers, news and official documents makes it possible to identify the presence of national interests and their impact. Third, this thesis analyses different kinds of national interests separately rather than cumulating them, as RQ2 pertains to regime security, RQ3 involves territorial sovereignty and RQ4 addresses economic interests, thus enabling this study to avoid the third problem mentioned by Rosenau.

As mentioned previously, I chose to compare news from the period between 01 January, 2011, and 31 December, 2012, with news from the period between 01 January, 2013, and 31 December, 2014, as shown in Table 3.1 below.

Table 3.1 Number of news reports on the SCS

Year	2007	2008	2009	2010	2011	2012	2013	2014
Number of Reports	40	18	27	47	77	94	137	142

(Table made by author; Source: People's Daily database and China Digital Library database, 2020)

These statistics are consistent with the findings of previous research that concluded that the Chinese government became firmer in defending its interests in the SCS after around 2009 and that China has become more active in the SCS sovereignty disputes since Xi assumed power. There was an increase in news on the SCS in 2009 and another upsurge in 2012/2013. Before early 2013, the annual average number of news items on the SCS was 61.25; from early 2013 to the end of 2014, the annual average number soared to 171.5. According to the results of this research study, the news items since the beginning of 2013 contain more content related to the anti-great power and victim narratives. Moreover, many news in 2007 was about the salvage and archaeological exploration of the ancient ship "Nanhai No. 1". Therefore, it is feasible to use the *People's Daily* news report to analyse China's SCS policy change since the change in news reporting is closely related to the policy change.

In addition, because the relationship between narrative and foreign policy is not one-directionally causal but rather mutually influential, it is challenging to examine the causal relationship between the Chinese nationalist narrative and China's foreign policy change in Chapter 6. For example, an assertive diplomatic policy may lead to the rise of popular nationalist sentiments (Ko, 2023), while a proactive diplomatic policy can also result from a nationalist interpretation of international issues. As such, it is challenging to apply causal logic to analyse the relationship between changes in the expression of nationalism and those in foreign policy. I thus attempt to identify the chronology of China's foreign policy change in the SCS. In other words, when A and B can influence each other, and if one can identify the interactive process between A and B, one can state that at a certain moment, A influences B, and that B, in turn, influences A. As such, the case study in Chapter 6 investigates the

relationship between the rise of popular nationalism in China before its diplomatic shift in the SCS, the change in China's official discourse on the SCS, the shift in China's official and public's perceptions of the SCS, and the changes in China's SCS diplomatic policy.

Furthermore, to fully understand the causal relationship between changes in nationalist narratives and the shift in China's SCS diplomatic policy, it is crucial to have access to a substantial number of online nationalist posts from before 2013, which are essential for examining Chinese popular nationalism. Additionally, it would also be beneficial to have access to China's official documents about public opinion and its foreign policy decision making process, as well as the opportunity to conduct in-depth interviews with high-ranking officials. However, even with these resources, it would still be difficult to investigate the causal relationship between nationalist narratives and China's SCS diplomatic policy.

Nevertheless, the most valuable Chinese online posts relevant to political issues in Tieba and Tianya before 2013 have been deleted due to political sensitivity concerns; several Chinese official documents were not publicly disclosed; and my in-depth interview efforts failed. Thus, considering these difficulties in data collection and the mutually constructed relationship between nationalism sentiment and foreign policy, the identification and examination of the causal relationship between the Chinese nationalism narrative and China's foreign policy change in the SCS was arduous.

3.5 Conclusion

This research project aims to investigate the reasons behind China's change in foreign policy since 2013 from a domestic perspective. It poses four research questions to achieve this: (1) Has China's foreign policy changed strategically since 2012/2013? If so, which domestic factors have contributed significantly to this change? (2) How did considerations of regime stability influence China's decision to launch the OBOR initiative? (3) How have issues of nationalism affected China's foreign policy in the SCS since 2013? (4) How have factors related to economic development influenced China's changed attitude towards its SOEs in the China and US trade war negotiations? It uses case studies, thematic analysis, process tracing, comparative analysis, and discourse analysis to answer these questions. The case examined

in RQ2 is the OBOR initiative, that in RQ3 is the SCS and that of RQ4 is China's attitude towards SOEs during the Sino-US trade war negotiation and the WTO entrance negotiation.

This study utilises the approach of analytical eclecticism, which allows combining different theories. The narrative theory and the poliheuristic theory form the theoretical framework of this thesis. The analytic eclecticism approach allows for a comprehensive investigation of the intricacies, variations, and contradictions within the process of developing Chinese foreign policy.

Furthermore, this study follows the guidance of the University of Edinburgh in terms of research ethics. The data in this study is preserved on an encrypted laptop and uploaded to OneDrive as well. The data has been held securely and not disclosed to any unauthorised third parties. The interview, although unsuccessful, underwent an ethical review by the university and was approved. In other words, this research study does not harm any participant's interests, and no ethical risk was identified in this process. Additionally, it is important in political research to address the bias problem, especially when researchers adopt the case study approach and use document analysis, which may lead to bias towards supportive or unsupportive evidence (Becker, 1967). I have endeavoured to make the analysis objectively and carefully evaluated the methods and data this thesis used to reduce the risks of personal bias in this study and improve its accuracy and impartiality. In this process, I have tried to be as open as possible to the contrary evidence and used primary sources from as wide a range as possible, including the UK government-sponsored BBC, Reuters, which is owned by an independent business company, the *Financial Times*, the Chinese official news agency, Xinhua, and newspaper *People's Daily*, Chinese government websites and the US official government websites. The secondary resources include articles, books and reports by Chinese scholars and research institutions as well as non-Chinese scholars and research institutions, in case I favour one side over the other.

Chapter 4 China's New Grand Strategy?

This thesis adopts the classification category of Alden and Aaron (2017) and Hermann (1990) on foreign policy change and divides foreign policy change into four types: adjustment, program, goal, and international orientational changes. Adjustment changes are modest changes in the level of effort or scope of a foreign policy; program changes involve the introduction of new instruments or tools to achieve the goal of the previous foreign policy; goal change occurs when a state abandons an objective it previously pursued or substitutes one goal for the previous one; and international orientation change involves an all-encompassing redirection of a state's foreign policy (Hermann, 1990). Alden and Aaron (2017) classify goal change and international orientation change as strategic changes.

In fact, a tendency exists to conclude that regime change is virtually the only way to achieve profound shifts in a nation's foreign policy (Hermann, 1990). However, there are cases in which the regime remains the same while the government recognises that significant changes in foreign policy must be undertaken, such as United States (US) President Richard Nixon's initiation of a dramatic change in US foreign policy toward China (ibid). Moreover, if one believes that because the primary goal of a country is survival and that foreign policy aims to achieve this goal, a reasonable conclusion is that all changes in foreign policy are tactical changes to serve the survival goal and that the change from war to peace is merely tactical, not strategic. Nevertheless, this attitude ignores the differences among various foreign policy changes in realpolitik, and thus, a detailed division of the foreign policy change is necessary to investigate the foreign policy change deeply. For instance, the goal of increasing military force and the goal of disarmament can both aim to serve the survival goal. However, these two are different, and changing from arms expansion to disarmament can be viewed as a significant change in the realpolitik. Moreover, this kind of change is more significant than a change of increasing military aid. In addition, differentiating the various levels of foreign policy changes is important because of the magnitude of practical consequences foreign policy changes generate for people and institutions (Hermann, 1990).

Hermann (1990) employs the case of US foreign policy towards Vietnam to exemplify the different levels of change. Initially, after the French defeat in Indochina and the division of

Vietnam, the US aimed to maintain South Vietnam's independence and support it (ibid). In the late 1950s and early 1960s, adjustment changes were demonstrated through changes in military and economic assistance, including deploying military advisers. The introduction of US combat forces in 1965 marked a program change, followed by subsequent adjustment changes as the military effort escalated. A second program change was the decision to gradually transfer fighting responsibilities to Vietnamese troops and withdraw US forces. A goal change occurred when US policymakers doubted South Vietnam's ability to resist North Vietnam, leading to the acceptance of South Vietnam's defeat. In other words, the goal of maintaining the South Vietnamese regime's survival was abandoned. According to Hermann (1990), international reorientation change refers to significant changes, both in rhetoric and actions, across various areas when a state interacts with external entities, and the perception of the state's position and role in world politics also changes. This thesis regards the international reorientation change caused by domestic factors as closely linked with regime change or state transformation, because these domestic changes could lead to an all-encompassing redirection of foreign policy (Stanger, 1995).

Notably, reliable empirical differentiation is not always easy. For instance, adjustment and program changes can be found in goal change, and international reorientation change can involve the other three types of changes (Hermann, 1990). Moreover, none of these four changes includes the state, government, or ruling party abandoning their fundamental goal of survival or replacing it with another as the essential purpose. Conceptually, these changes are tactical tools to serve, not change, the survival goal. While a state organisation could be overthrown in a social revolution or annihilated by foreign forces, and certain foreign policies may contribute to this result, this does not imply that these foreign policies are designed to destroy the state. This thesis defines the state as an organisation rooted in society but enjoying a certain degree of autonomy from society's control (a more detailed definition of the state and an explanation of such definition appear in Chapter 1). Additionally, although a state's foreign policy is a tool to serve the survival goal, other foreign policy goals exist in different periods on different issues, as illustrated in Hermann's (1990) research. Foreign policies can be used to pursue not only survival but also other political or economic goals. These political or economic goals are that to which "goal" change refers. Furthermore, these political or economic goals, such as economic development or pursuing power, could be

understood as the means to serve the survival goal. In addition, the case that a state organisation abandons the goal of survival exists, such as the dissolution of the Soviet Union case. If a state organisation faces a drastic challenge from the organisation itself or the society it is based on, the phenomenon of a state against itself emerges. A result of the phenomenon that a state against itself could be that the state organisation abandons the goal of survival. Nevertheless, this result is rare; under most circumstances, one can assume survival to be the highest goal of the state organisation.

Furthermore, in China's case, the ruling party, regime, government, and state can be viewed as a single organisation. Although conceptually, these items could differ, in reality, the Party's survival goal equals the state's survival goal, as indicated by the fact that the three core national interests include the stability of the political and social systems.

Additionally, zhan lve (战略, strategy) in Chinese not only includes means but also has the meaning of purpose, while zhan shu (战术, tactics) in Chinese clearly refers to means to achieve a strategy. Zhan lve involves an overall plan and guidance that includes vision and goals, the position of the actor in the overall external context, strategic thinking with consideration for all aspects of the actor itself and other actors, and separate plans for different stages. The usage of *taoguang yanghui* strategy (韬光养晦战略, *taoguang yanghui* zhan lve, hiding our capacities and biding our time strategy) and *fenfa youwei* strategy (奋发有为战略, *fenfa youwei* zhan lve, striving for achievement strategy) in this thesis is more inclined to the meaning of "zhan lve" that includes the strategic goal in Chinese but not the "strategy" that refers to a mean to achieve an end in English.

This chapter focuses on two related questions: whether China's diplomatic strategy has shifted since 2012/2013 and, if so, what internal changes have driven this shift. The chapter first compares Xi's grand foreign policy strategy with that of his predecessor, Hu Jintao, and argues that a shift in China's diplomatic approach has indeed occurred. Secondly, this chapter identifies the main domestic factors motivating this significant change, thus laying the foundation for further investigation of how these factors have influenced China's foreign policy development.

4.1 China's grand strategy from Hu Jintao to Xi Jinping

In 2012, Xi Jinping became general secretary of the Communist Party of China (CCP) and chairman of the Central Military Commission; in March 2013, he became president of China. Since 2013, China has behaved more assertively when interacting with other countries (Zhang, 2015). While China's foreign policy had already become more confident under the administration of Hu Jintao, Xi's leadership has been characterised by an even bolder course of action (Friedberg, 2015; Tellis, 2019). Nevertheless, scholars disagree on whether Xi's foreign policy differs significantly from that of his predecessors. Some see it as essentially a continuation of earlier policies, though some changes occur (Doshi, 2019; Goldstein, 2020); while others argue that under Xi's grand foreign policy strategy, a fundamental shift in China's interactions with other countries has occurred (Campbell and Ratner, 2018; Economy, 2018; Poh and Li, 2017).

A key argument advanced by scholars emphasising the continuous nature of China's foreign policy is the unchanged dual goals of China: the pursuit of "national rejuvenation" to restore its historical status as a major country and the goal of regime survival since 1949 (e.g., Doshi, 2019; Friedberg, 2015; Goldstein, 2020). This goal of "national rejuvenation", tracing back to Sun Yat-sen, persisted through subsequent leaders such as Chiang Kai-shek, Jiang Zemin, and Hu Jintao, who have all mentioned "national rejuvenation" in their speeches (Doshi, 2019). In other words, during the century of humiliation (mid-1800s to mid-1900s), China perceived an existential threat, prompting the goal of "national rejuvenation" to reclaim major country status. Thus, in essence, China's foreign policy adjusts to better serve its pursuit of regime survival and power and major country status (Doshi, 2019; Friedberg, 2015; Goldstein, 2020), indicating a strategic continuity rather than a strategic change. Moreover, the state organisational structure established by the CCP enables the interconnection between the survival goals of the state and regime. Changes in China's diplomatic behaviours can thus be attributed to the intertwined purposes of pursuing power and ensuring survival. This logic of foreign policy change is similar to that of the neorealists: under the anarchic international system, the state's goal of survival leads to its purpose of pursuing the influence necessary to become a great power; thus, changes in the international power balance result in changes in the state's foreign policy to obtain power for survival.

However, while survival is the supreme goal, this does not imply that foreign policy, as a tool of the state for achieving survival, lacks its own goals at different times. Additionally, different leaders may have varying ideas of how best to achieve the goal of survival using diplomacy. As Hermann (1990) indicates, for a more in-depth study of foreign policy change, it is crucial to consider the diversity and varying degrees of changes in foreign policies rather than treating all foreign policies as mere means to the overarching goal of survival while neglecting the differences among foreign policy changes.

This chapter argues that while Hu's era saw a program change in China's foreign policy, what occurred after 2012/2013 represents an alteration in the goal of foreign policy. Hermann (1990) defines program changes as adjustments in the means to achieve a goal, such as the government introducing new instruments to realise an objective held by previous foreign policy. He (ibid) states that a goal change refers to the previous target of a foreign policy or strategy that has been abandoned or replaced by a new one. Alden and Aran (2017) categorise program changes as tactical alterations, while goal changes are strategic. Before 2013, although Hu Jintao changed the content of foreign policy strategy of *taoguang yanghui*, the primary motivation behind foreign policy strategy in Hu's era remained the enhancement of economic development. This does not imply that economic development is conceptually superior to survival or the power-chasing pursuit; rather, economic development has been interpreted as the most conducive means to survival and increasing international status. Replacing the *taoguang yanghui* strategy with the *fenfa youwei* strategy demonstrates a goal change in China's foreign policy, as "zhan lve"/ "strategy" in Chinese means also includes the goal the zhan lve/strategy aims to achieve. However, this change does not imply a shift in the international orientation of China's foreign policy, nor does it suggest that China's goal of survival or need to enhance its power to regain its position as a major country has been replaced or abandoned. Meanwhile, although China must still increase its power and pursue its survival goal, this does not indicate that Chinese foreign policy strategy objective has not changed since 2013.

Diplomacy of the People's Republic of China (PRC) had previously followed the low-profile foreign policy strategy articulated by Deng Xiaoping from the beginning of the Reform and

Opening up period, in other words. The name of this strategy is *taoguang yanghui*. The four-character phrase "keeping a low profile" is, in fact, an abbreviation of the full formulation "冷静观察，稳住阵脚，沉着应付，韬光养晦，善于守拙，决不当头, 有所作为 *lengjing guancha, wenzhu zhenjiao, chenzhuo yingfu, taoguang yanghui, shanyu shouzhuo, juebu dangtou, yousuo zuowei"*, which is translated as follows: "Calmly observe; secure our position; cope with affairs calmly; hide our capacities and bide our time; keep a low profile; never claim leadership; play a due role". According to Wang (2011), this strategy sought to achieve coordination and stability in both the overall domestic and external aspects of China's foreign policy and prevent confrontation with the great powers of the developed world in the service of economic development.

The final principle within the *taoguang yanghui* strategy, *yousuo zuowei* or "play a due role", remained largely unchanged despite China's rapid economic development in the first two decades of the reform period. However, following the 2008 global financial crisis and in a social context in which many Chinese people expected the government to become more active in protecting the country's interests, a debate arose among Chinese scholars, politicians, and elites about whether the "play a due role" principle should be modified (Glaser and Dooley, 2009; Wei, 2020). The debate was intensified by rising tensions with the US, Japan, Vietnam, and the Philippines and the increasing desire among additional countries to adopt policies to balance China's rising power (Yan, 2014).

This question was openly aired at China's 11th Ambassadorial Conference in July 2009. The Ambassadorial Conference is an important annual meeting held to discuss and decide on China's foreign policy orientation, and hundreds of Chinese ambassadors, diplomats, and other officials responsible for foreign affairs as well as heads of significant State-owned Enterprises (SOEs) attend this meeting (Glaser and Dooley, 2009). In his speech at this 2009 conference, Hu stated that China should "stick to *taoguang yanghui* but actively play a due role" (Hu, 2016, p. 238). In 2011, the Chinese government officially revised the principle of "play a due role" to one of 积极有所作为 *jiji yousuo zuowei* or "actively play a due role", stating that as China's overall strength increased, the country would assume additional

international responsibility (see the white paper, “China’s Peaceful Development”, Gov.cn, 2011a). According to the identification of different categories of foreign policy change provided in Chapter 1, the change since 2009 represents a programme alteration in which the methods have shifted but the goal of developing the Chinese economy remains the same.

Four years later, at the Peripheral Diplomacy Work Conference held on 26 October, 2013 (Cpc.people.com.cn, 2013), President Xi presented a comprehensive new strategy of *fenfa youwei*, signalling a goal change in China’s foreign strategy. According to Xi, the meaning of *fenfa youwei* is to strive to engage in positive diplomatic work in neighbouring countries to realise the “two centenary goals” – “achieving an all-round well-off society, firstly, by the 100th anniversary of the founding of the CCP in 2021 and, secondly, by the 100th anniversary of the founding of the PRC in 2049, whereby China will become a strong, democratic, civilised, harmonious, and modern socialist country” (ibid). An additional goal of *fenfa youwei* is to realise the “China Dream” of the great “rejuvenation” of the Chinese nation (ibid). The basic content of the “China Dream” of the great “rejuvenation” of the Chinese nation is realising the prosperity of the country, achieving national rejuvenation, and improving the happiness of people (People.com.cn, 2014).

The most significant difference between Hu and Xi is that the primary goal of Hu’s strategy was to maintain peace in the region for the sake of China’s economic development, while Xi’s *fenfa youwei* strategy addresses not only the importance of regional peace and stability but also emphasises that foreign policy should serve the needs of both national rejuvenation and economic development, and the latter one is less important. According to Hu, the main goals of Chinese foreign policy should be to safeguard China’s national interests and actively develop its economic interests, with the primary task being economic development: “The key to solving all Chinese problems lies in China’s own development” (Hu, 2016, p. 238). By contrast, Xi sees the key goal of *fenfa youwei* as “the rejuvenation of the Chinese nation” (Cpc.people.com.cn, 2013).

Although this concept of "rejuvenation" has been promoted by both Hu Jintao and Xi Jinping, it was Xi who popularised the concept (Blumenthal, 2020; Ferdinand, 2016). While the term appeared on Hu's final report as the paramount leader at the 18th Party Congress in 2012 and Xi's first report at the 19th Party Congress in 2017, there are notable differences in the usage of the phrase. Hu's (2012) report describes the achievements of the Party and the people in turning China into a more prosperous and powerful nation, and he uses the term "rejuvenation" descriptively:

> Our Party has rallied and led the people of all ethnic groups of the country in turning the poor and backward old China into an increasingly prosperous and powerful new China and the great rejuvenation of the Chinese nation shows bright prospects. We are all the more proud of the historic achievements of the Party and the people, we are all the more firm in the ideal and conviction of the Party and the people, and we are all the more aware of the historical responsibility of the Party. (Hu, 2012)

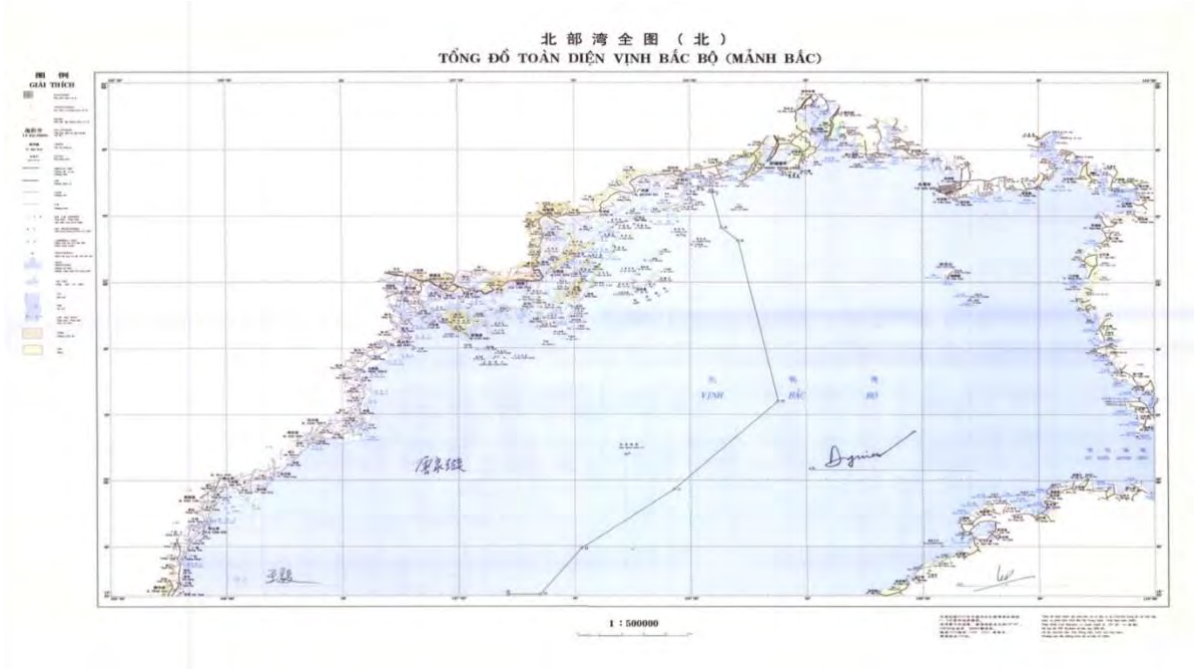
Xi's use of the phrase in his 2017 leader report, by contrast, links the concept of "rejuvenation" with that of the "China Dream", emphasising the need to "work tirelessly to realise the Chinese Dream of national rejuvenation". In this context, "the mission of Chinese Communists is to seek happiness for the Chinese people and rejuvenation for the Chinese nation", and "We must keep on striving with endless energy toward the great goal of national rejuvenation" (ibid). In other words, Xi sees the rejuvenation as a goal that needs to be achieved. Therefore, while both leaders touted the concept, their approaches and emphases differed significantly.

In comparison to the previous *taoguang yanghui*, the *fenfa youwei* strategy pays more attention to the national interests of sovereignty and territory security. On 30 August, 2013, Xi Jinping stated that "China would stick to the road of peaceful development but will never give up its legitimate rights and never sacrifice its core interests" (China.org.cn, 2013b). This statement was the first time that the Chinese leadership made such a statement (Zhang, 2015). This statement by Xi could be taken to indicate that the new Chinese leadership regarded protecting the country's core interests, especially sovereignty, as more important

than China's peaceful development. In other words, sovereignty and territorial interests have become more important than economic development interests. According to Dai, then state councillor, director of the General Office of the Central Foreign Affairs Commission, and director of the Office of the Central Foreign Affairs Leading Small Group, the core interests of China are regime security, state sovereignty and territorial integrity, and the stable development of the economy and society (State.gov, 2009).

Under the guidance of the previous strategy of *taoguang yanghui*, on a number of occasions, China had been willing to sacrifice sovereignty and territorial interests for the sake of peaceful economic development (Fravel, 2005). Fravel (ibid) claimed that despite the fact that China's economic strength grew rapidly in the 1990s, instead of using this advantage and taking a hawkish stance in contested land negotiations, China compromised in eight separate territorial dispute negotiations. For instance, in its two agreements with Tajikistan, the 1999 "Agreement between the People's Republic of China and the Republic of Tajikistan on the China-Tajikistan Border" and the 2002 "Supplementary Agreement between the People's Republic of China and the Republic of Tajikistan on the China-Tajikistan State Border", China obtained control of only 1,100 square kilometres of the disputed 28,500 square kilometres of territory with Tajikistan (Reuters, 2011a). Moreover, after negotiations between China and Vietnam, on 25 December, 2000, the two countries signed the "Agreement between the People's Republic of China and the Socialist Republic of Viet Nam on the delimitation of the territorial seas, exclusive economic zones and continental shelves of the two countries in Beibu Gulf/Bac Bo Gulf" (Treaties.un.org, 2023). In this agreement, according to the map provided by the United Nations (UN) (see Figure 4.1 below), China and Vietnam divided the Gulf of Tonkin roughly equally. Just as Fravel (2005) emphasised, though China's power had increased since the 1990s, there was no strong evidence that it had become more willing to use force over disputed territory issues than previously up till the end of his research.

Figure 4.1 Map of the Agreement between the People's Republic of China and the Socialist Republic of Viet Nam on the delimitation of the territorial seas, exclusive economic zones and continental shelves of the two countries in Beibu Gulf/Bac Bo Gulf



(Source: Treaties.un.org, 2023)

Furthermore, during Hu's administration, although there were conflicts with the Philippines and Vietnam, Hu's South China Sea (SCS) policy did not significantly deviate from the diplomatic principle of *taoguang yanghui* (Fu, 2021). In 2002, along with the members of Association of Southeast Asian Nations (ASEAN), China signed the Declaration on the Conduct of Parties in the South China Sea (DOC), which committed all signatories to resolving territorial and jurisdictional disputes in the SCS by peaceful means (Fmprc.gov.cn, 2022a). Moreover, the official guidance for the SCS disputes over the entire period of Hu's administration was to "set aside disputes and pursue joint development" (Fmprc.gov.cn, 2023). In other words, the diplomatic guideline towards the SCS dispute was to put territorial disputes aside, with the goal of creating a peaceful environment for China's development. According to Zhang Feng's 2016 interview with a significant government advisor, during the decade of the 2000s, Hu did not agree with the island-building proposals of People's Liberation Army, even though China's infrastructure on the Spratly Reefs was dilapidated and other claimants had already built superior infrastructure in the SCS (Zhang, 2020). In other words, Hu did not support the idea of escalating the SCS dispute (Fu, 2021), even though this de-escalation might undermine the

interests of China's sovereignty in the SCS. This also indicates that there were disagreements inside the government over how to address the SCS issue and that the Hu administration preferred to maintain a peaceful external environment rather than intensify territorial disputes with its neighbouring countries. Hu adopted the *taoguang yanghui* strategy, with its main goal to maintain a peaceful environment for China's economic development. In contrast, under Xi's leadership, China has emphasised sovereignty and territorial aspects in its approach to SCS disputes. On 30 August, 2013, at the eighth group study session of the Politburo, Xi stressed that China would enhance the nation's capacity to safeguard its maritime rights and interests, that he would resolutely protect the nation's maritime rights and interests, and that China would not surrender its legitimate rights, much less sacrifice its national core interests, for peaceful development (China.org.cn, 2013b). At the same meeting, Xi also revised Deng's principle by inserting "China owns the sovereign rights" before "set aside disputes and pursue joint development", and this sequence change reflect China's new priorities as well. Additionally, soon thereafter, China began significant construction of artificial islands in the SCS and militarised Cuarteron Reef, Fiery Cross Reef, Gaven Reef, Hughes Reef, Johnson South Reef, Mischief Reef, and Subi Reef in 2014 and 2015 (Scmp, 2016). Under Hu's leadership, the more important interest was that of economic development, and the chief foreign policy goal was to create a peaceful environment for economic development. By contrast, under Xi's leadership, the more important target has been sovereignty and territorial interests, and the foreign policy goal has become protecting sovereignty and territorial security while enhancing economic development. This does not mean, however, that protecting sovereignty and territorial security was not one of the foreign policy goals under Hu's administration, but if these two goals happened to contradict each other, Hu's China would likely sacrifice the sovereignty and territorial interests while Xi's China will likely sacrifice the goal of economic development.

For specific content, Xi's strategy of *fenfa youwei*, "striving for achievement", differs from the previous *taoguang yanghui* strategy in that it emphasises undertaking more responsibility in international affairs and being more adaptable in forming alliances as well (Yan, 2014). "Never claim leadership" is one doctrine of the *taoguang yanghui* strategy; Hu's (2009) view of this doctrine and the "play a due role" doctrine is that developed countries should take more responsibility, and China, as a developing country, should play a role commensurate with its

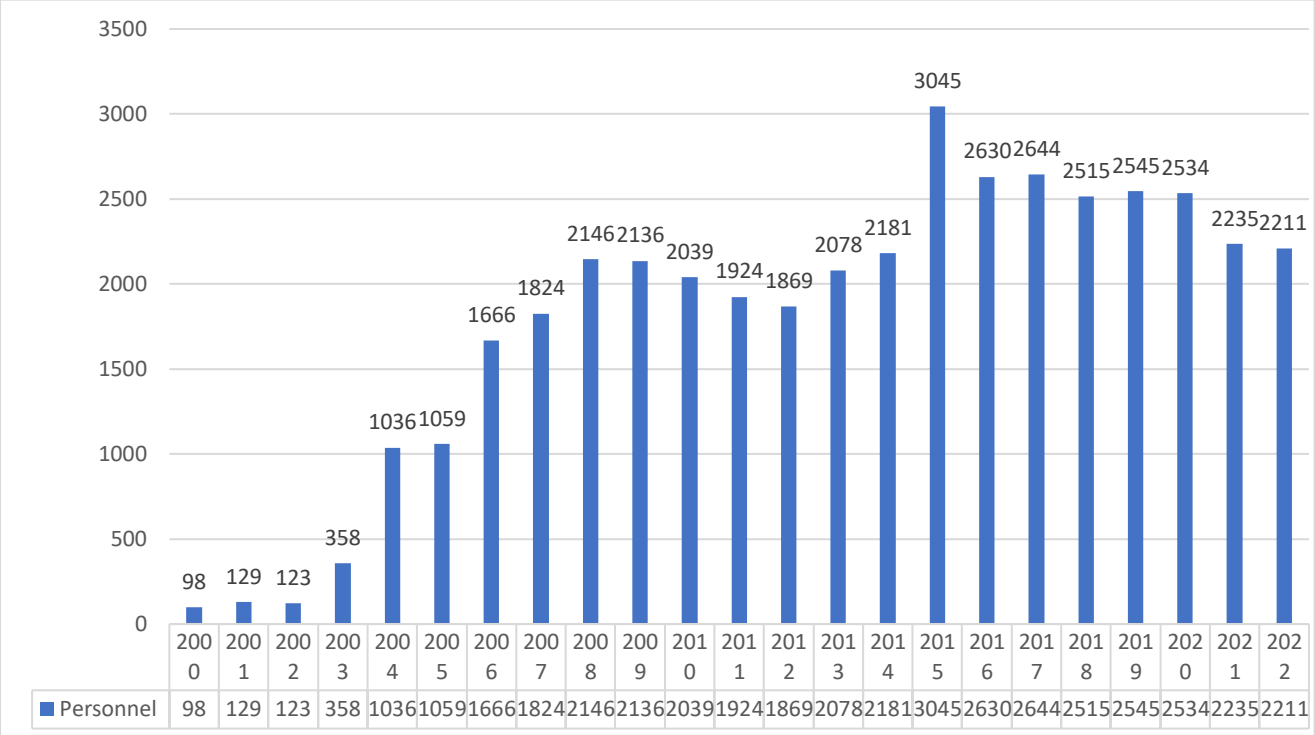
status (Zhang, 2009). Dai Bingguo (2010) also stated that China should be a responsible developing country, but it would not undertake the responsibility of a great power.

In contrast, according to Ruan Zongjie (2015), Xi Jinping had already formulated a new global role for China at the Central Foreign Affairs Work Conference in November 2014, when the Chinese leadership first advanced the idea of establishing a new type of international relations. Ruan is the executive vice president and deputy secretary of the Party Committee of the China Institute of International Studies and a member of the Public Diplomacy Advisory Committee of the Ministry of Foreign Affairs, so his opinion could be viewed as having values in revealing the internal perceptions of the Chinese government on diplomatic issues. Ruan (2015) interpreted this call for a new type of international relations as a signal that the Chinese government had decided to play a more active role in international affairs, the first time the Chinese government had made such a decision to actively participate in shaping world order since Deng, and Ruan commented that this notion represented the consensus of the collective leadership on the guiding opinion of China's future diplomacy. Wang Yi (2016) stated that the overall aim of China's diplomacy is to foster a new type of international relations that are more just and equitable and to build a community with a shared future for mankind. According to Wang (2016), the concept of a community of shared futures for mankind involves five fundamental components: (1) creating partnerships based on fairness, mutual understanding, and equal participation; (2) establishing a security framework that promotes justice, shared benefits, and collaborative contributions; (3) fostering an inclusive and innovative approach to development that benefits everyone; (4) promoting cultural exchanges that support harmony, inclusivity, and respect for differences; and (5) advocating a sustainable ecosystem that prioritises environmental protection and green development. At the 19th National Congress of the CCP in 2017, Xi Jinping (2017) reinforced this attitude towards international affairs, stating that China is now "closer to the centre of the world stage than ever before" and "major-country diplomacy with Chinese characteristics aims to foster a new type of international relations". Although this report was delivered by Xi, it actually represents the common census of the entire Party. In the Chinese system, political change often begins with the process of forming new narratives that are presented in Party documents (Wang, 2012). If such a change is deemed necessary, political reports to the CCP's National Congress will include newly constituted narratives that lay the foundation for the

shift in policies (ibid). In principle, once the Party Congress accepts and endorses this report, the political and ideological guidelines contained within will become the most authoritative guidelines for China's policy pertaining to the addressed areas. Therefore, the report to the CCP National Congress reflects not only the top leadership's view but also the new direction for the entire Party and Government. Thus, this idea of playing a more active role and taking additional leadership responsibility in international affairs is the consensus of Chinese leaders and has been the guiding ideology of China's future diplomacy since 2014.

Moreover, in a speech titled "Exploring the Path of Major-Country Diplomacy with Chinese Characteristics" at the Second World Peace Forum in 2013, then-Foreign Minister Wang Yi (2013a) claimed that China's diplomacy would adopt a more global perspective rather than focus merely on domestic needs. This is because the world was undergoing unprecedented changes and adjustments, and China would keep its foreign policy abreast of the times and contribute to the international system and order (ibid). The evolution of China's participation in UN peacekeeping actions supports the contention that China has played a more significant role in facilitating the world order since 2013. According to the Foreign Ministry website (Fmprc.gov.cn, 2021), China began to send military observers to UN missions in 1990, and since 2015 there has been a significant increase in the number of Chinese personnel in UN peacekeeping missions (Peacekeeping.un.org, 2023). Figure 4.2 presents the number of Chinese personnel involved in UN peacekeeping from 2000 to 2022.

Figure 4.2 Chinese troop and police contributions to UN missions, 2000-2022



(Figure made by author, Source: Peacekeeping.un.org, 2023)

At the 2013 Peripheral Diplomacy Work Conference referred to above, Xi Jinping called for China to strengthen its ties with neighbouring countries by promoting a network of common interests that would benefit all parties involved (Cpc.people.com.cn, 2013). This call is a signal that China has gradually deviated from its previous non-alliance policy, which had been one of the most important Chinese foreign policies since the 1980s. The non-alliance policy was first formally recognised in 1983, and successive Chinese leaders have reiterated the principle may times in different occasions (Liu and Liu, 2017). For example, in 1992, Jiang Zemin stated that China would "not enter into an alliance with any country or group of countries" and "not join any military bloc" (Jiang, 1992). This policy has also been emphasised in the 2011 white paper "China's Peaceful Development" (Gov.cn, 2011a). In recent years, however, Chinese leaders have slightly modified this policy, still adhering to the non-alliance principle but also advocating for developing more solid relationships with additional countries. On 29 November, 2014, at the Central Conference on Work Related to Foreign Affairs, Xi Jinping called on China to "develop a distinctive diplomatic approach befitting its role as a great power" and to build a global network of partnerships while abiding by the principle of non-alliance (Fmprc.gov.cn, 2014). In this regard, "building a global network of partnerships" may

be understood as a moderate policy that holds the middle ground between abiding by the non-alliance strategy and abandoning it. The notion of a "partnership network" could be viewed as a distinct foreign policy doctrine under Xi Jinping's leadership (Liu and Liu, 2017). This type of partnership diplomacy was not initiated by Xi (ibid), but under Xi's administration, its scope and dimensions have been expanded. According to then-Foreign Minister Wang Yi (2014b), by the end of 2014, China had established partnerships with 67 individual countries and five regions or regional organisations, and by 2020, the number of partners had increased to 112 (Gov.cn, 2020). In summary, while non-alliance has been a fundamental principle of China's foreign policy for several decades, recent shifts in foreign policy suggest that Chinese leaders are increasingly willing to be more active in international affairs and to form partner relationships where it serves their interests.

Such developments would suggest that China's foreign policy has indeed experienced a strategic change under Xi, because it was after 2012 that China replaced *taoguang yanghui* with *fenfa youwei* and changed its foreign policy strategy goal from serving China's economic development to China's rejuvenation. While the changes made by Hu represented tactical changes, under Xi, China has adjusted the goal of its foreign policy. However, some scholars disagree with this interpretation and claim that this foreign policy change did not begin in 2013 (e.g., Blumenthal, 2020; Doshi, 2019). Their reasons can be summarised thusly: Many of the significant military, economic, and political changes in China that have occurred under Xi Jinping's leadership can be traced back to the tenure of his predecessor, Hu Jintao. Since 2008, China has undertaken more aggressive actions in the Sino-US relationship (Blumenthal, 2020). Hu also supported Chinese SOEs investing in overseas companies and acquiring commodities, which bears similarities to Xi's One Belt and One Road initiative (OBOR); thus, Hu's policy can be viewed as a precursor to the OBOR (Blumenthal, 2020; Doshi, 2019). Furthermore, Hu's approach to handling disputes in the SCS, such as the aggressive response to the Philippines in the Scarborough Shoal in 2012, marked a shift in China's territorial approach, which hinted at a more assertive foreign policy shift (Blumenthal, 2020; Doshi, 2019).

Nevertheless, it is a mistake to overlook the difference between tactical change and strategic change. For instance, unlike Hu, Xi has emphasised the role of SOEs as a political tool in implementing foreign policy. For example, in 2001, Hu stated that the government

encouraged and supported qualified enterprises to expand their operations overseas (Hu, 2001). In contrast, Xi (2016) called for SOEs to be a significant force in major strategic initiatives such as OBOR. Although SOEs were already playing a significant role in overseas investment by 2009 (Oecd.org, 2009), this does not imply that Hu's attitude towards SOEs' overseas operations was the same as Xi's: Despite the fact that "Hu Jintao had earlier evoked the possibility of some kind of this initiative, it had not gone anywhere" (Ferdinand, 2016, p. 949). Moreover, even though, as noted in the previous paragraph, Hu's Go Out policy could be viewed as a precursor of OBOR (Blumenthal, 2020), this policy was actually proposed by his predecessor, President Jiang Zemin, with the purely economic aim of promoting overseas investments and exports.

According to Fu Ying (2021), the vice foreign minister responsible for the Sino-Philippines standoff in 2012, the priority of Hu's administration was still to maintain a peaceful external environment for China's economic development. While Hu's government had chosen not to militarise the SCS islands, China began to do so under Xi in 2014. Moreover, China had had conflicts with the Philippines over the Mischief Reef in the SCS as early as 1994, when China dispatched fishery administration boats to the reef and the Philippines sent naval ships in response (Raditio, 2019). Nevertheless, in 2002 China signed the DOC and expressed its willingness to peacefully resolve the territorial dispute (ibid). Furthermore, one year before the Scarborough Shoal dispute, in 2011, China signed an agreement with ASEAN members on implementing the DOC, indicating its intention to reduce tensions in the SCS through diplomatic dialogue (Reuters, 2011b). Fu Ying (2021) also stated that although China adopted an assertive stance in the 2012 standoff, it had attempted to resolve this issue at the outset via diplomatic channels and communications with the Philippine government. At that time, the Philippines was reluctant to settle this issue through a bilateral and diplomatic approach; rather, it aimed to use international public opinion and seek help from the US to press China into making a concession (ibid). As a result, China decided to take an assertive foreign policy stance on this issue. Subsequently, in June, it sought to de-escalate the issue by asking its fishery administration ships to leave the lagoon of the Scarborough Shoal after the Philippines had expressed its willingness to withdraw its naval ships (ibid). In her memoir on the standoff, Fu (2021) argued that the Chinese government had followed the *taoguang yanghui* strategy

to a large extent, though the Philippine government took a different view as Chinese fishery administration ships were still patrolling the shoal.

As previously mentioned, Blumenthal (2020) identifies more aggressive action undertaken by China in the Sino-US relationship since 2008. For example, Chinese leaders declined to attend the 2009 Copenhagen Climate Change Conference, and the Chinese delegates "humiliated" US President Obama by making him to wait for the results of discussions with the Chinese leadership back home (ibid). Meanwhile, Chinese scholars on the Sino-US relationship, such as Yan Xuetong (2014), have claimed that it was only after China's strategic change to *fenfa youwei* in 2013 that it officially abandoned the priority of maintaining the Sino-US friendship when interacting with the US. When China adhered to the *taoguang yanghui* strategy, it was optimistic about the possibility of avoiding the structural conflict between the status quo hegemony and rising power, while the *fenfa youwei* strategy is based on the assumption that the structural contradiction had become a reality and that China and the US needed to admit it to find a way to make it a healthy competition (ibid). Moreover, according to Yang Jiechi (2021), throughout the decade of the 2000s, the vital focus of Chinese international activities was on major countries, specifically the US, with China's neighbouring countries identified as the less important tasks. In contrast, when Xi first proposed the *fenfa youwei* strategy in 2013, he emphasised the importance of neighbouring countries while not mentioning the US at all.

This thesis argues that China's foreign policy underwent a goal change after 2012/2013, although some assertive behaviours had occurred since Hu modified the "play a due role" doctrine in 2009. Additionally, the public replacement of *taoguang yanghui* with the *fenfa youwei* strategy, the change in the centre of China's foreign policy from enhancing economic development to achieving rejuvenation of the Chinese nation and the "two centenary goals" and the adjustment in the importance of core national interests are strong evidence of a goal change in China's foreign policy strategy. However, these developments all occurred after 2013. Thus, it can be claimed that there has been a strategic change in China's foreign policy since 2012/2013.

4.2 Main domestic sources of China's foreign policy change under Xi

This section aims to investigate the significant domestic factors that have driven the shift in China's core national interests since 2013. It focuses more on the domestic motivations of this foreign policy change rather than the international systemic drivers, although the international system has undoubtedly played a significant role in China's foreign policy development.

In general terms, the beginning of a new foreign policy usually involves a reconsideration of current strategies and the problems this policy seeks to solve (Billings and Hermann, 1998; Ozkececi-Taner, 2017). This model is also applicable to China's foreign policy changes. Lu (2018) said the Chinese way of "subverting" a foreign policy was realised by reinterpreting the policy or the problem to be resolved or, alternatively, by demonstrating the negative effects of the policy. The changing process of the Reform and Opening up strategy also support this argument. According to Peng Guangqian (1997), the introduction of the Reform and Opening up was a result of the negative impacts of China's policy in Mao's era, which adhered to a revolutionary Marxist approach. Deng's reconsideration of China's defence policy and diplomacy represented the beginning of China's new diplomatic strategy (Peng, 1997). At the time, Deng was able to ensure that the entire Party would accept this strategic shift because of his persuasive new thinking on international war and peace and the problems of development (ibid). The main argument of the scholars who supported changing the *taoguang yanghui* policy, such as Yan (2014), was that this policy was negatively influencing China's rise. Foreign Minister Wang Yi (2013b), in a speech to new diplomats in 2013, said that China "will face various difficulties that other major powers have never encountered in history, and Chinese diplomats will also face various challenges that diplomats from other major powers will not encounter", illustrating the concerns shared by China's top leadership over the country's international situation. A 2014 article published in the *Study Times*, the Journal of the Central Party School, noted that the new policy of *fenfa youwei* emerged in a context during which China's external environment had changed and had become more complicated, with China facing further diplomatic challenges. As a result of the new situation, the previous "negative mindset of defensive counterattack" (防守反击的消极思维 *fanshou fanji de xiaoji siwei*) needed to change (Zhao, 2014). While the Party and Government were

reluctant to reveal internal disagreements outside Party contexts – and, as a result, top leaders rarely expressed dissatisfaction with previous leaders' policies – the tolerance of publishing indirect criticisms of previous significant policies in authoritative journals and on websites can be viewed as a signal that the current Chinese leaders disagreed with these policies. Thus, it can be deduced that the negative feedback on *taoguang yanghui* resulted in the strategic change in Xi's era.

Rather than focusing on whether this policy has actually hindered China's rise or whether *fenfa youwei* is a better strategy than *taoguang yanghui*, this section investigates why Chinese leaders tend to perceive the *taoguang yanghui* policy as a liability. The approach taken in the present study is that China's core national interests determine its diplomatic strategy. For instance, the CCP's obsession with maintaining power necessitates the preservation of national stability and the use of pre-emptive measures to eliminate threats to its political supremacy (Tsang, 2009). Negative feedback on the *taoguang yanghui* strategy thus stemmed from changes in the perceptions of China's three core interests.

The critical core interest for Chinese policymakers is the stability of the party's regime (Lai, 2010; Tsang, 2020); the two other interests of economic development and sovereignty and territorial security are regarded as core interests because they contribute to the protection of the regime's security interests. As a result of the Cultural Revolution and the stark contrast between people's living standards on the socialist mainland compared to capitalist Hong Kong and Taiwan, communist ideology increasingly lost its ability to legitimise the CCP's continued rule (Downs and Sauner, 1999). Meanwhile, the CCP's claim that China is a socialist country is progressively undermined by its implementation of market-oriented economic reforms (ibid). As a result, the Party needed to seek new sources of legitimacy to support its status as the sole ruling party. "Every political system attempts to establish and cultivate the belief in its legitimacy in order to have orders obeyed willingly rather than by the threat of force" (Downs and Sauner, 1999, p. 118). In 1982, Deng Xiaoping stated that poverty should not be a feature of socialism and advocated the development of productive forces to raise the people's living standards so as to demonstrate the superiority of socialism and communism (Deng, 1993). The patriotism campaign of the 1990s, which aimed to educate the people about the Party's contributions to the Chinese nation, was also launched to improve the Party's legitimacy

(Wang, 2012). However, according to Fitzgerald (1996), although Chinese leaders attempt to impose definitions that serve their immediate political goals within Chinese' understanding of nationalism, the Chinese nationalists still use values such as territorial unity and national power to independently evaluate the government's performance rather than succumb to the total manipulation of its propaganda. Thus, ever since the Deng era, the Party's legitimacy depends on its ability to develop the economy, improve the people's living standards, ensure national security, and rejuvenate the nation.

Xi Jinping's rise to the top leadership position took place against a backdrop of people's growing anger and protests throughout the country, posing a severe internal challenge to the Party (Sorensen, 2015). In Brown's (2017) analysis, the Party was facing a backlash caused by its own success. Economic development has significantly influenced Chinese society, culture, and attitudes (ibid). Following Reform and Opening up, the Party's mission of serving the people and its principles of Marxist-Leninist ideology became less important, and people were more interested in material wealth than the Marxist-Leninist theories (ibid). Reform and Opening up were also accompanied by corruption, degeneration of the Party's morality and beliefs, and a rapidly widening wealth gap and inequality (Brown, 2017; Shirk, 2008). As a result, people lost faith in the Party.

An even greater challenge for the Party was that, by 2012, economic growth was starting to slow. At the Asia-Pacific Economic Cooperation Conference in 2014, Xi admitted that the Chinese economy had shifted from its previous high-speed growth rate to a medium- to high speed growth rate (China.org.cn, 2014). Pei (2015) highlighted that China faced a severe challenge to its regime in the 2010s due to the slowdown in economic development. While for the three decades up to 2011, China's economy grew at an average annual rate of approximately 10%, by 2012, its growth rate had slowed to 7.9% and never topped 8% before 2021 (World Bank website, 2023a). According to Khan (2018, p. 7), China in the 2010s "is more powerful than it has been at any point since its founding, and yet it also feels more insecure than it had since 1968–1969 when a major war with the Soviet Union threatened".

Furthermore, ever since Deng Xiaoping launched economic reforms, there has been an ongoing controversy within the Party as to whether it has deviated from its original mission

of creating a communist society in which there is no oppression and exploitation. In 2013, Xi Jinping directly responded to this controversy by claiming that there was no historical discontinuity before and after the Reform and Opening up, and the period thereafter cannot be used to negate the historical period before that, nor can the historical period before the Reform and Opening up be used to negate the historical period after it (Xi, 2013). Xi (ibid) further explained that the period before the Reform and Opening up is the history of the Party leading the people of all ethnic groups in the country to execute socialist revolution and construction and make great achievements. Likewise, the period after the Reform and Opening up is the history of the Party leading the people of all ethnic groups in the country to successfully create and develop socialism with Chinese characteristics, with the earlier period laying the foundation for the development in the later period. More specifically, both before and after the Reform and Opening up, the Party has endeavoured to realise the great rejuvenation of the Chinese nation, which includes striving for national independence and people's liberation while realising the prosperity and strengthening of the country and the happiness of people (ibid). Xi's response reveals that, given the context in which communism fails to offer adequate legitimacy for the Party's governance, coupled with the gradual slowing of economic growth that has been a significant source of its legitimacy for its rule since the Deng era, Xi has chosen to defend the party's sole ruling status through nationalism by claiming that only the CCP can create national rejuvenation.

Another consequence of the inability to sustain high-speed economic development is that nationalism is now prioritised over economic development, and the importance of China's territorial security takes precedence over its economic development. The Chinese government has redefined the country's economic development, with Chinese leaders arguing that China has entered a "new normal" period of economic development. Xi (2014) stated the characteristics of this new normal in the following terms: (1) the economy has shifted from the previous high-speed to medium- to high-speed growth; (2) the government seeks to upgrade the economic structure and rely further on consumption; and (3) the government plans to reform the economy from its previous reliance on investment and production factors – the latter referring to those factors used to produce output, including land, labour, capital, and entrepreneurs – to a greater reliance on innovation. In other words,

China's economic development interests are no longer the rapid development of the economy but the development of a high-quality economy in a more balanced way.

The most influential domestic factor behind the shift from *taoguang yanghui* to a *fenfa youwei* diplomatic strategy is the regime security factor. Xi's first significant policy statement since assuming leadership in 2012 was about preserving and defending the Party's security. At the end of 2012, during a visit to Guangdong, Xi Jinping emphasised that, he would not allow the Party to share the fate of dissolution that befell the Soviet Communist Party, and he would stand up to prevent the Party from making the same mistake (BBC, 2013a). In 2018, Xi emphasised that Chinese diplomats need to "[u]phold the authority of the CCP Central Committee as the overarching principle and strengthen the centralised, unified leadership of the Party on external work" (Xinhuanet.com, 2018a). Xi Jinping has consistently reiterated this commitment to prevent any doubts about his determination to uphold the sole ruling party regime (Tsang, 2020). For Chinese policymakers, security considerations for the regime supersede all other needs, applying not only to domestic policy but also to foreign policy.

As demonstrated in Chapter Two, there are two main threats to the security of the one-party regime: the public's dissatisfaction with the Party and intra-Party conflict. State leaders often seek to achieve great power status for the sake of international prestige and to bolster domestic legitimacy, particularly when the regime faces challenges such as economic vulnerabilities or personal scandals (Larson and Shevchenko, 2019). In 2013, China started to develop its "Major Country Diplomacy", which widely interpreted as conveying China's ambition to be recognised as a great power (Wang, 2019).

The *fenfa youwei* strategy includes reforming the international system and global governance (Fmprc.gov.cn, 2014). Although Xi claimed at the 2017 CCP in Dialogue with World Political Parties High-Level Meeting that China would not export its own model to the world (Reuters, 2017), this statement requires further analysis. Economy (2020, p. 2) argued that China's approach of reforming global governance is to export its model of "supporting the creation of laws and regulations that enhance state control, limit individual freedoms, and favour state led economic development". When meeting with US President Joe Biden in 2022, Xi claimed that "China does not seek to change the existing international order or interfere in the

internal affairs of the US and has no intention to challenge or displace the US" (Fmprc.gov.cn, 2022b). Additionally, the Council of Foreign Affairs (Cfr.org, 2023) has observed that "in some areas, such as climate change, China does not try to impose its own visions and models; in areas of human rights and internet governance, Beijing tries to promote its own, more authoritarian norms". This type of divergence can be understood as a result of intra-party contradictions. On the one hand, Xi has created enemies among the ruling elites because of his anti-corruption and power-concentration campaigns, and, as a result, he needs to obtain public support against a group of unsatisfied elites (Carter, 2019). On the other hand, Xi prefers to conciliate those CCP elites who do not want an international conflict and wish for a positive Sino-US relationship rather than eliminating them and, thus, dividing the Party (Yin, 2019). These two goals lead Xi to compromise with these elites, with the result that China does not aim to challenge the US in every domain. China's ambition to reform global governance is deeply influenced by its own considerations of regime security. China's support for authoritarian rule is not inherently beneficial to China, but it would improve the CCP's legitimacy if the international community recognised its model. However, if the CCP elites strongly oppose an ambitious foreign policy, then China would adopt a less aggressive strategy for the sake of regime stability. Therefore, it can be claimed that it was considerations of regime legitimacy and security that drove China to choose *fenfa youwei* over *taoguang yanghui* since the former has the greater ability to obtain public support for the CCP.

Furthermore, one of the most important motivations behind the OBOR, the most significant initiative under the *fenfa youwei* strategy, lies in the security challenges that threaten the Party's political security. According to the 13th Five-Year Plan (2016-2020), the primary goal of the OBOR is to turn Xinjiang into a "bridgehead" to the rest of Asia and to make this area the frontier in opening up to the world (Ndrc.gov.cn, 2016). Moreover, the Chinese leaders are worried about the separatist movement in Xinjiang, believing it threatens social and regime stability (Brown, 2016). According to the meeting content of the 2014 Second Central Xinjiang Work Symposium, Chinese leaders believe that only prosperity can curb the spread of terrorism, separatism, and Islamic religious extremism, thereby protecting the stability and security of Xinjiang (Neac.gov.cn, 2015). The development and stabilisation of the restive

Xinjiang province continue to inform the discussion and justification of the OBOR inside China (Cooley, 2015).

The *fenfa youwei* strategy also aims to achieve the goal of the great rejuvenation of the Chinese nation, defined as comprising national independence and rejuvenation, realising the prosperity and strength of the state and the happiness of the people. As mentioned earlier in this section, pursuing great power status can enhance the legitimacy of a regime's political authority. China's nationalist narrative further reinforces its quest for great power status (Yang, 2021). According to Yin (2019), by flexing its muscles globally through initiatives such as OBOR and playing the game of great power competition, the Party is able to successfully encourage nationalism and rally the Chinese nation to support it, despite a multitude of domestic troubles. Moreover, as mentioned by Yan (2001, p.34), "The Chinese regard their rise as regaining China's lost international status rather than as obtaining something new". Nationalism also helps to suppress internal dissent within the Party (Carter, 2019), and, thus, the importance of nationalism has increased as a significant source of the party's legitimacy.

The *fenfa youwei* strategy has proved to be better than the *taoguang yanghui* strategy in satisfying nationalist sentiment and, therefore, protecting the party's security interests. From the nationalist perspective, the *taoguang yanghui* policy of building a peaceful environment for China's economic development is considered dovish and weak (Zhao, 2013). Chinese citizens have expressed a high level of support for the government when it conducts hawkish actions in territorial conflict scenarios such as the Sino-Japan conflict over the Diaoyu Islands, and Xi has used this as a tool to improve public support for his policies (Carter, 2019).

In addition, in a situation in which safeguarding territorial and security interests has surpassed the importance of economic development interests, the *fenfa youwei* strategy is better able to protect China's sovereignty and territorial interests than the *taoguang yanghui* strategy, which primarily seeks an environment of peaceful development for China's economic growth. For instance, in 2010, a Chinese fisherman was detained by the Japanese government near the Diaoyu/Senkaku Islands (Reuters, 2010). Both Japan and China claim sovereignty over the Diaoyu Islands, and this arrest created tensions between the two countries (ibid). This incident intensified the debate among Chinese scholars over the necessity of adhering to the

taoguang yanghui strategy (Huanqiu.com, 2011). *Taoguang yanghui* aims to maintain peaceful relationships with neighbouring countries to serve China's economic development, with sovereignty interests sacrificed to a certain extent. In contrast, the *fenfa youwei* strategy emphasises that China cannot make concessions regarding sovereignty in the interest of economic development. Following the implementation of the *fenfa youwei* strategy, in November 2013, China established an Air Defence Identification Zone in the East China Sea, including the Diaoyu Islands (BBC, 2013b). Since 2013, China has also adopted a more assertive foreign policy in the SCS, displaying an increased determination to protect its territorial interests.

The change in the definition of China's economic interests has also contributed to the shift to *fenfa youwei.* The previous understanding of China's economic development interests can be summarised as "developing productive and industrial forces", but under *fenfa youwei*, this changed to "improving the quality and effects of development". One product of this new interest is "Made in China 2025", a state-led industrial policy launched in 2015 that seeks to develop China's high-technology manufacturing industries. According to the 2015 "Notice of the State Council on Printing and Distributing Made in China 2025", this policy strives to achieve the goal of building China into a major manufacturing country leading development in global manufacturing by 2049, the 100th anniversary of the founding of the PRC (Gov.cn, 2015a). Additionally, it lays a solid foundation for realising the Chinese dream of the great rejuvenation of the Chinese nation (ibid). In other words, Made in China 2025, although proposed by Li Keqiang but not Xi Jinping, is also a part of the *fenfa youwei* strategy, just as the OBOR initiative is.

In the 2016 "Collection of Seminar Reports of Provincial and Ministerial Cadres on the Interpretation of Made in China 2025", Miao Wei, minister of industry and information technology between 2010 and 2020, identified both external and domestic motivations for this policy. According to Miao, the external reasons for this policy were the simultaneous occurrence of the reshoring of advanced manufacturing to developed countries and the transfer of mid- to low-value manufacturing to middle- and low-income countries. The primary domestic reasons were weak independent innovation and lack of certain crucial core technologies; the low quality of products; and an imbalance in the industrial structure

whereby traditional industries, such as steelmaking, suffered from excess production while emerging industries, such as high technology, suffer from inadequate supply capabilities (Miao, 2016). Miao's (2016) analysis notes that China was worried about its manufacturing industry, unsure of whether it could survive and thrive against developed countries seeking to rebuild their own such industry and developing countries seeking to create their own. China recognised that it had been gradually losing its advantage of an inexpensive workforce, and cheap labour of other developing countries could enable them to challenge China's status in the middle- and low-value manufacturing industries (ibid). For these reasons, China needed to transform itself from the world's low-cost factory to a powerhouse in global high-tech manufacturing (ibid). The Made in China 2025 policy can be regarded as falling into the category of improving the quality and impact of development, and therefore is a product of the new definition of economic development under the *fenfa youwei* strategy.

However, the implementation of the Made in China 2025 policy has led to conflict between China and the US. In the "Findings of the Investigation into China's Acts, Policies, and Practices related to Technology Transfer, Intellectual Property, and Innovation under Section 301 of the Trade Act of 1974" issued by the Office of the United States Trade Representative in March 2018, the Made in China 2025 policy was cited numerous times. Since, to a large extent, this policy seeks to create a domestic industry intended to displace foreign suppliers, it was identified as a threat to the industries of the US and other Western nations (Ustr.gov, 2018a). Based on the results of this Section 301 investigation, the US later in 2018 imposed an additional 25% tariff on approximately $50 billion worth of products from China, and this represented the official beginning of the trade war between the two nations (Ustr.gov, 2018b). This report noted that "The Made in China 2025 Notice expressly calls for China to achieve 40% 'self-sufficiency' by 2020, and 70% 'self-sufficiency' by 2025" (2018a, p. 15), and that this would significantly undermine the high-tech industries of other countries, including the US. Additionally, the report claimed that, in implementing this policy, the Chinese government would foster unfair competition. As the report emphasises, "While the Made in China 2025 Notice references market-oriented principles, it closely resembles China's other state-led, technology-related plans" (ibid, p. 14). The report reiterates that the tools of Made in China 2025 include "government intervention and substantial government, financial, and other support to the targeted Chinese industries" (ibid, p. 16). According to Swanson (2018), the

administration said the list of goods on which tariffs would be imposed generally focused on industrial sectors emphasised by the Made in China 2025 plan, including automobiles, aerospace, robotics, and information technology. Nikkei Asia's chief business news correspondent has also noted that although the term Made in China 2025 has virtually disappeared from public discussions and official documents because of the negative US response, this policy still exists and thrives, and the Chinese government continues to offer subsidies to companies favoured under this policy, such as electric vehicle manufacturers and chipmakers (Kawase, 2022). Thus, it can be claimed that China launched the Made in China 2025 policy as part of the *fenfa youwei* strategy, but because this policy sparked negative US reaction, China's response was to reduce references to the term Made in China 2025 while still offering many subsidies to develop its high-tech manufacturing industries.

Moreover, a critical part of the *taoguang yanghui* strategy is the need to maintain a positive relationship with the US (Leverett and Wu, 2017; Yan, 2014; Wang, 2019). The "never claim leadership" principle of the *taoguang yanghui* strategy aimed to maintain a positive Sino-US relationship by assuring the US that China had no intention of challenging its dominant role in international affairs (Chen, 2019; Yan, 2014). Therefore, the fact that China continued the Made in China 2025 policy even at the risk of intensifying US dissatisfaction with China and undermining the Sino-US relationship suggests that it was the new definition of economic development that influenced China's foreign policy change in this regard. At a time when China's economic development interest lay mainly in developing its industrial production, Deng emphasised that maintaining a positive relationship with the US was necessary for China's development, which is the reason for the "never claim leadership" principle (Chen, 2019). By contrast, when China came to see its economic interest as focusing on improving its innovative capability to develop a high-quality economy, it adopted a foreign economic policy of insisting on the Made in China 2025, which has the potential to threaten the relationship between the US and China by undermining US high-tech industries. This contradiction proves that China's changed interests in economic development have contributed to its assertive foreign policy.

It must be emphasised that attributing China's assertiveness entirely to Xi's leadership is a misinterpretation that underestimates the consensus among CCP officials and overvalues the

role of a single leader (Doshi, 2019). As noted in Chapter 2, the level of consensus within the CCP should not be overemphasised in Hu's era. For example, the power struggle between Hu's political group, the Tuanpai, and Jiang's political group, the Shanghai Gang, indicates that the Chinese political system is not a unified entity. In addition, according to Blumenthal (2020), Hu Jintao faced resistance from the CCP's conservative neo-Marxists, a group that was marginalised during the Deng Xiaoping and Jiang Zemin eras but that re-emerged as a significant force under Hu. This development led Hu to shift his economic policies from market-driven neoliberalism to those of favouring SOEs (ibid). On the SCS issue, Hu was cautious and reluctant to endorse assertive actions, and attempted to suppress more hawkish military solutions (Zhang, 2020). Moreover, China's decision to adopt a more assertive foreign policy in the Scarborough Shoal standoff was because the Chinese government believed the Philippines was reluctant to diplomatically solve this issue (Fu, 2021). Thus, it is not persuasive to claim that China's behaviour in the SCS prior to 2012 represents a goal change. Hu's assertive SCS policy is more likely to have been a reaction to the hawkish military and the actions of the Philippines rather than a proactive or unified decision of the Party. In contrast, after Xi Jinping came to power, the party became more consolidated, with Hu Jintao fully relinquishing his power, and Xi received support from the Shanghai Gang at the same time (Reuters, 2012). Thus, unlike Hu, whose Tuanpai group was in competition with his predecessor Jiang's Shanghai Gang, Xi did not face many constraints from his predecessor, and in 2013, very early in Xi's tenure, his main political rival, Bo Xilai, was sentenced to life imprisonment (BBC, 2013c). Meanwhile, Xi also has a princeling background, which enabled him to be regarded as "one of us" among the princelings. Therefore, China's foreign policy shift since 2013 is more likely the result of a common consensus among the leaders rather than a bargaining negotiation between different political groups. Thus, while that leadership change may have influenced China's foreign policy change, it can be claimed that the strategic development in its foreign policy since 2012/2013 is more attributed to a broad consensus within the Party.

4.3 Conclusion

This chapter argues that there has been a strategic shift in China's foreign policy since 2012/2013 and that the change in China's core national interests largely contributed to this

shift. In summary, before 2012/2013, China's foreign policy aimed to serve the country's economic development, but since the beginning of 2013, its objectives shifted to serving the "two centenary goals" and achieving the great rejuvenation of the Chinese nation. While the strategy of *taoguang yanghui* was more restrained, tending towards peacefully resolving territorial disputes, avoiding responsibility and forging alliances, and more inclined to maintain good relations with the US. In contrast, the strategy of *fenfa youwei* has been more assertive and inclined towards adopting hawkish stances on territorial issues, taking on a more active role in international affairs, being more likely to forge partner relationships, and adopting a confident stance in relations with the US.

The primary reason for this shift lies in the change of China's core national interests. The most important interest is regime security, and the other two – economic development and sovereignty and territorial security – serve the purpose of ensuring regime security. Prior to 2013, China faced numerous internal challenges, such as significant wealth disparity and unsustainable economic growth, leading the Party to perceive its survival as precarious. In response, the Party chose to undertake economic reforms, prioritising the quality of China's economic development over speed and aiming to ensure that more Chinese people benefit from economic progress. Furthermore, as the high-speed economic growth that had previously provided legitimacy for the regime became unsustainable, the Party began to rely more on the other pillar of its legitimacy, nationalism. The ability of the Party to safeguard national sovereignty and territory is an important criterion for Chinese nationalists in evaluating its performance. Consequently, the significance of China's sovereignty and territorial interests surpassed that of economic development. This shift in national interest resulted in a firmer Chinese stance on territorial disputes, as economic interests were no longer prioritised over sovereignty concerns, relieving China from making concessions for the sake of a favourable development environment. The new economic interests also led China to be more inclined to pursue economic policies that would stimulate the development of domestic high-tech enterprises, even at the risk of irritating the US, rather than maintaining a solid relationship with it. Moreover, it was regime concerns that prompted China to adopt a more proactive approach in international affairs, seeking major country status and actively

promoting its global governance values, departing from the previous policy of *taoguang yanghui.*

Finally, although this thesis argues that the foreign policy change in 2013 was a goal change, it does not suggest that China's foreign policy changed rapidly in 2012/2013. In fact, the study argues that the shift after 2013 was a response to existing problems predating 2013, some problems of which even emerged before the 2008 financial crisis. It was the change in the perception of how to respond to domestic political security challenges that led to the change in China's foreign policy. In other words, treating the survival goal or "national rejuvenation" as constant is flawed; in reality, these factors can function more like variables that are changeable according to people's perceptions.

The impact of Reform and Opening up on Chinese society and culture has been immense. Reform and Opening up brought corruption and a widening wealth inequality, spurring people to lose faith in the Party. The other challenge for the Party was that by 2012, economic growth was beginning to slow. Furthermore, since Deng Xiaoping launched economic reforms, an ongoing debate has occurred within the Party as to whether the Party has deviated from its original mission of creating a communist society. These issues have undermined domestic political security, and thus, increasing numbers of Party members have begun to worry about the regime's security. This was the background when Xi took power.

Furthermore, although domestic challenges to political security are the main domestic causes of China's foreign policy change since 2012/2013, this does not suggest that these challenges will inevitably lead to the *fenfa youwei* strategy. For example, Wen Jiabao, China's former premier, stated that China could address domestic corruption and the widening gap between rich and poor in the country through internal political reform in 2011 (Reformdata.org, 2011). According to Wen, the primary task of political reform is to separate the Party from the government's function and reduce the concentration and absoluteness of power to make the operations of the Party and the government adhere to the constitution and laws strictly within their confines. Reforming the leadership systems of both the Party and government also included ensuring the independence of prosecuting and judicial bodies and expanding citizens'

democratic rights. He also suggested reforming the social security system and promoting social equity and justice by developing the economy and rectifying significant economic disparities. The final task was to combat corruption (ibid). In 2012, Wen Jiabao again emphasised the need to reform not only the economic system but also the political system, particularly the leadership systems of the Party and state, in response to the internal and external challenges facing the Party (Xinhuanet.com, 2012). His 2011 and 2012 interviews demonstrate that Wen believed that the reform of the political system could enhance domestic political security (Reformdata.org, 2011; Xinhuanet.com, 2012). Regarding the economic means to cope with the economic development slowdown, Wen held similar opinions as Xi: proactively slowing the economic growth rate, reforming the economic development model, and upgrading the economic structure by relying more on innovation and improving the quality of labour to develop the economy (Xinhuanet.com, 2012). Nevertheless, Xi chose nationalism and power concentration (see Chapter 2) over Wen's political system reform to enhance domestic political security. Varying perceptions of how to solve domestic problems could lead to different approaches to how to interact with foreign countries. For instance, China might want to maintain peace with neighbouring countries when it is under political system reform, because political system reform could increase domestic instability, and the internal chaos might be manipulated by external enemies.

This study does not seek to speculate about what would have occurred had China chosen Wen's path of political system reform. However, it does emphasise that it is problematic to argue that China has followed a single path from the Jiang Zemin era to the Xi Jinping era. Given the differences between China's foreign policy in 2009–2013 and after 2013 and the internal struggles within the Party during the Hu Jintao era, China's situation between 2009 and 2013 was more like a crossroads than a one-directional road. It is evident that different leaders proposed various solutions to internal security challenges. This divergence in approaches reflects the complex nature of China's domestic political landscape. Moreover, domestic debates occurred between 2008 and 2011 on China's foreign policy strategies and core national interests as well (Zhang, 2012), and this also challenges the idea that China has followed a one-directional road since Deng.

This thesis recognises that the changes in the 2009–2013 period set the stage for subsequent shifts in China's foreign policy, but it suggests adopting the more nuanced perspective that this period was a crucial juncture in which China faced a crossroads. It does not seek to disagree with the claims of scholars such as Lin (2019) that it takes time for China to change. Nevertheless, the "play a due role" revision in 2009 as a response to the 2008 financial crisis reveals that China can change its foreign policy promptly when a window of opportunity opens. However, changing one doctrine of zhan lve differs from replacing it with a new one. The distinction inside the Party in terms of how to improve domestic political security and the internal struggles inside the Party in Hu's era are also undeniable. As such, it is more persuasive to argue that many of the assertive actions in the 2009–2013 period provided experiences for subsequent changes in foreign policy, rather than illustrating a predetermined plan by the Chinese government. The assumption that everything, including China's rapid growth and foreign policy change, falls within China's grand plan may overestimate China's ability to control itself and the outside world. Thus, this nuanced perspective challenges the argument that China's foreign policy is basically unchanged because the main goals of survival and "national rejuvenation" remain the same. In other words, this study underscores the exploratory, evolutionary, and adaptive nature of foreign policy change. Although it is possible to rationalise elements of China's foreign policies during the 2009–2013 period into a premeditated grand strategy, this viewpoint underestimates the changing nature of China's foreign policy.

The following three chapters analyse how these three core national interests have influenced specific policy changes, providing a more detailed explanation of how the change in China's core interests has led to a strategic shift in its foreign policy.

Chapter 5 The motivations behind the One Belt and One Road Initiative

5.1 Introduction

The One Belt and One Road (OBOR) initiative is a significant subject in international discussions due to its importance in international trade and politics. The discussion on it is also closely related to numerous broader issues such as the redirection of China's foreign policy, China's rise and the impact of its rise as well as the Sino–United States (US) competition. The promotion of the OBOR marks the first time in Chinese foreign policy history that China has behaved in such an ambitious way when promoting an economic project involving other countries (Ye, 2019). International observers have had mixed reactions to this initiative. Strategic observers in Central Asia, South Asia and Southeast Asia have raised concerns about China's growing influence in their region and the potential side effects of China's expansion on the regional order (Ye, 2019). Robert Kaplan (2018) argued that the OBOR aims to supplant US dominance and build a world order with China at the centre. In the field of Chinese foreign policy studies, Elizabeth Economy (2018) described the OBOR as an ambitious project that can improve China's global influence, while Carl Minzner (2018) framed it negatively as a destructive chain reaction that can decay China. According to Blanchard and Flint (2017), this initiative can change international geopolitics by using interconnected infrastructures, such as railways, ports, and energy pipelines, to link entire Eurasia. In fact, the majority of scholars, especially "Western analysts", are interested in investigating this initiative with the international system analysis (Jones and Zeng, 2019). Although scholars such as Jones and Zeng (2019), Rolland (2017), and Tekdal (2018) have mentioned the domestic influential factors for this initiative, few have sought to explain their findings with poliheuristic theory.

The OBOR project consists of two components—the Maritime Silk Road Initiative and the Silk Road Economic Belt—that were announced separately in 2013. Figure 5.1 below illustrates the scope of this initiative (mainly Eurasia and the northeast part of Africa); the important node cities are included in the figure.

Figure 5.1 One Belt and One Road Map

(Title named by author, Source: Xinhuanet.com, 2022)

In this study, the OBOR initiative has been chosen as a representative case to investigate China's foreign policy change, as it is a new and unprecedentedly ambitious foreign policy proposed by President Xi Jinping. The launch of the OBOR initiative can, thus, be considered to mark a foreign policy change because it is much greater in scale than any project launched by China under the previous *taoguang yanghui* strategy. This chapter focuses on the launch of the OBOR initiative as a representative and typical case study to investigate China's foreign policy change, arguing that the essential factor concerning the government while launching this initiative was regime security, although other factors were also taken into account.

This chapter uses Mintz's poliheuristic theory to analyse how the factor of regime security influenced the decision to launch the OBOR initiative in order to illustrate how this factor has affected China's major foreign policy shift since 2012/2013. According to Mintz's (2004) theory, foreign policy decision making is best understood as a two–stage process. In the first stage, only key dimensions, such as domestic politics, are considered by decisionmakers, and only the options that do not harm the non–compensatory interests of the decisionmakers are allowed to enter the second phase. Generally speaking, domestic political security is always

seen as “the essence of decision”, as it represents the non–compensatory interest of any political actor (Mintz, 2004, p. 7). Mintz (2004) described “non–compensatory” interest as an interest that cannot be traded off based on the calculation of utility, i.e., costs versus benefits. Hence, the political survival of a political actor, whether it is a political organisation or an individual politician, is a “non–compensatory” interest, similar to how the primary goal of any organisation or human being is survival. The first stage of the decision making mechanism aims to abandon any policies that may undermine or threaten an actor’s security, and any alternatives that perform poorly in this dimension of political security are discarded and not allowed to enter the second stage (Mintz, 2004). In the second stage of foreign policy decision making, decisionmakers consider the remaining politically viable options that do not harm the domestic political security of the politicians or the ruling party (ibid). In this stage, decision making entails a rational choice based on the assessment of a broad range of economic, diplomatic, and military factors. Foreign policy decisions are primarily driven by the search for the maximisation of utility in this phase (Mintz, 2004).

The first section of this chapter introduces the background of the OBOR initiative, and the second section analyses the domestic motivations behind this project. Finally, the third section compares the OBOR initiative with the other two trade and economic agreements that the Chinese government has entered: the Regional Comprehensive Economic Partnership (RCEP) and the China–Japan–South Korea Free Trade Agreement (FTA) – to argue that the OBOR initiative is a better choice for the issues of protecting regime security and maintaining the Party’s status as the sole ruling body.

5.2 Unveiling the OBOR initiative

President Xi announced the first main component of the OBOR initiative – the Silk Road Economic Belt – during his visit to Kazakhstan in September 2013 in a speech at Kazakhstan’s Nazarbayev University (China.org.cn, 2013a). Around one month after his Kazakhstan speech, Xi announced the second main component of the OBOR initiative – the Maritime Silk Road, while addressing the Indonesian Parliament (ASEAN–China Center.org, 2013). The development of the Asian Infrastructure Investment Bank (AIIB) was also first mentioned in the Indonesian speech (ibid). In November 2014, the eighth meeting of the Central Financial

and Economic Leading Small Group discussed the OBOR initiative, the AIIB and the establishment of the Silk Road Fund. This meeting represents the official endorsement of the OBOR initiative (Gov.cn, 2014). On 28 March, 2015, the National Development and Reform Commission, the Ministry of Foreign Affairs and the Ministry of Commerce jointly issued "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road" (referred to as "Vision and Actions" in the remainder of this chapter), the first top level official document discussing the content of the OBOR initiative. This document clearly describes the Silk Road Economic Belt and the Maritime Silk Road as contemporary versions of the centuries–old Silk Road trade routes and clearly states their aim to connect Asian, European, and certain African countries more closely. The release of this document marks the point at which the OBOR initiative entered the implementation stage (Huo, 2015). In the same year, Xi, in a keynote speech at the annual conference of the Bo'ao Forum for Asia, stated that the OBOR cooperation proposal met "the development needs of China, countries along the routes and the region at large" and served "the call of our time for regional and global cooperation" (Xinhuanet.com, 2015). He characterised the OBOR initiative as "a real chorus comprising all countries along the routes, not a solo for China itself" (ibid). In 2016, the State Development and Reform Committee Office published a series of books entitled *One Belt One Road and Two–Directional Investment*, in which the then chairman of the State Development and Reform Committee, Xu Shaoshi, noted that the objective of the OBOR initiative was to attract foreign investment to China and encourage Chinese companies to expand overseas activities and Chinese capital, such as State–owned fund and private entrepreneurs, to invest in foreign countries (Suryadinata, 2017). In October 2017, at the 19th National Congress of the Chinese Communist Party (CCP), the OBOR initiative was added to China's constitution (Xinhuanet.com, 2017b).

Some scholars, such as Blumenthal (2020), argue that OBOR is the successor of Hu's "Go Out" policy, which encouraged Chinese enterprises to expand their exports and investments abroad. However, "Go Out" differs from OBOR in many ways; as Ferdinand (2016, p. 949) argues, "Hu Jintao had earlier evoked the possibility of some kind of this initiative, it had not gone anywhere". It was President Jiang Zemin who proposed the "Go Out" policy, and the theoretical foundation of this policy was Deng Xiaoping's idea of opening up to the outside world. In November 2002, in his report to the 16th Party Congress, Jiang claimed,

> Implementation of the strategy of "going out" is an important measure taken in the new stage of opening up. We should encourage and help relatively competitive enterprises with various forms of ownership to invest abroad in order to increase the export of goods and labour services and bring about a number of strong multinational enterprises and brand names (China.org.cn, 2002).

According to Jiang (ibid), the specific content of the "Go Out" policy was as follows:

> In response to the new situation of economic globalisation and China's entry into the WTO, we should take part in international economic and technological cooperation and competition on a broader scale, in more spheres and on a higher level, make the best use of both international and domestic markets, optimise the allocation of resources, expand the space for development and accelerate reform and development by opening up. […] We should implement the strategy of market diversification, bring into play our comparative advantages, consolidate our existing markets and open new ones in an effort to increase exports […] We should deepen the reform of the system of trade and economic relations with other countries, encouraging more enterprises to engage in foreign trade and improving relevant taxation systems and the trade financing mechanism (China.org.cn, 2002).

Moreover, Jiang arguably believed that China needed to learn from foreign countries for development. Jiang (2000) stated that if Chinese companies could invest in foreign countries and build factories, it would benefit Chinese industry's ability to upgrade (Chen, 2012).

In summary, the "Go Out" policy under Jiang aimed to develop China's manufacturing forces, which enjoy comparative advantage of cheap labour, enhance China's economy, and reform China's economic system, by integrating into the world economy and learning technologies and experiences from advanced foreign countries.

Hu Jintao developed the "Go Out" policy in the basement of Jiang's manufacturing industry by adding Agriculture Go Out and Culture Go Out (Gov.cn, 2006a; Mofcom.gov.cn, 2007) into the overall policy in 2006. In other words, Hu's "Go Out" policy pushed the agriculture and

cultural industries to "go out" on the basis of Jiang's policy of developing China's manufacturing industry, which has the comparative advantage of cheap labour in the global economy.

Under the administration of Xi Jinping, a significant change was that the "Go Out" policy had become an inferior policy to serve the OBOR. In his report to the Nineteenth National Congress of the Communist Party of China, Xi said, "We should pursue the One Belt and One Road Initiative as a priority and adhere to giving equal emphasis to 'bringing in' and 'going global'" (Gov.cn, 2017a). Moreover, this was Xi's only mention of "bringing in" and "going global" in the report. Thus, the OBOR strategy is more significant than the "Go Out" policy, which signifies a departure from previous foreign policy. In addition to differences in importance, the OBOR initiative places greater emphasis on infrastructure investment and construction, while the "Go Out" policy focuses more on purchasing, investing, or merging with foreign companies and exporting processing goods (Fec.mofcom.gov.cn, 2009). In terms of the domestic economy, OBOR is more targeted at the development of the western regions, while "Go Out" underscores utilising China's comparative advantages of cheap labour to enhance the development of the manufacturing sector to develop the economy. Additionally, SOEs play a more vital role within the OBOR framework; Jiang underscores that China should encourage all forms of enterprises with comparative advantages to going out (China.org.cn, 2002), and Xu Shaoshi specifically mentions the role of State-owned funds in overseas investment in OBOR (Suryadinata, 2017). Thus, OBOR can be viewed as a significant case of China's foreign policy change since 2012/2013 and a new ambitious initiative under Xi's administration. It represents the new and more ambitious foreign policies since 2012 and diverges from the earlier "Go Out" policy in many areas.

The OBOR initiative is widely regarded as an outline whose details have been left to be filled in during its implementation. Hillman (2020, p. 11) noted that the OBOR initiative "has become more than a policy—it is a brand", with numerous central and local governments, private firms and non–profit organisations attempting to link their work with the OBOR initiative. In 2015, all 31 Chinese provinces, including the autonomous regions and municipalities that are directly under the central government, mentioned their own OBOR plans either broadly or in detail in their local government work reports. For instance, the 2015

work report of the Xinjiang government (2015) includes such actions as actively promoting the construction of the China–Pakistan Economic Corridor (CPEC) as well as creating logistics and information channels to connect with Central Asia and Europe, supporting the establishment of the Urumqi Eurasian Economic and Trade Cooperation Pilot Zone, promoting the development of service trade and cross–border e–commerce and accelerating the development of economic and trade zones in Kashgar and Khorgos, namely the China–Kazakhstan Khorgos Border Economic Cooperation Centre and the Alashankou and Kashgar comprehensive bonded zones (Chinagate.cn, 2015). However, there has been no official definition for what qualifies as an OBOR project in the discussion phase and the beginning phase of the implementation of this initiative. A number of scholars, such as Hong (2016) and Suryadinata (2017), agree that the OBOR initiative had no clear official blueprint from the beginning. For example, while the OBOR initiative was officially proposed in 2013, many projects that were started years earlier have also been tagged as OBOR projects (Hillman, 2020). Both Chinese and foreign scholars have put forth many interpretations of the OBOR initiative, and various officials and government departments attempt to flesh out OBOR's content with their proposals and suggestions. In fact, even the 2015 "Vision and Actions" document – which marks the beginning of the implementation of OBOR initiative – mostly discusses the initiative's intended economic and strategic outcomes and achievements without detailing specific methods or means for achieving them.

Moreover, as early as 2018, only five years after its announcement, Xi called for actions to make the OBOR initiative more "solid" (Xinhuanet.com, 2018b). Xi compared the progress of the OBOR initiative over the preceding five years to "freehand brushwork"(xieyi, 写意) painting, a genre of Chinese traditional painting that emphasises spiritual semblance over physical similarity. Xi then went on to urge making the implementation of the OBOR initiative in the manner of "meticulous brushwork" (gongbi, 工笔) painting, a realist genre of Chinese traditional painting that delimits details very precisely without independent or expressive variations (ibid). In other words, Xi recognised that the implementation process of the OBOR initiative was like a container that was filled with different ideas and opinions, which developed through the participation of different actors rather than following a clear plan with specific content from the beginning. Moreover, in this process, different actors proposed their

versions of OBOR and integrated them into the overall framework of the OBOR initiative. As a result, he called for to change this situation.

Although it lacked a clear blueprint, the OBOR initiative became one of the top priorities of the Party and Government no later than 2015. The Central Leading Small Group on Advancing the Development of the OBOR initiative was officially "unveiled" in February 2015 (Yidaiyilu.gov.cn, 2019a). The creation of the Leading Small Group shows that the central leadership is committed to coordinating all aspects of the OBOR initiative at the highest level to promote the OBOR initiative. This Leading Small Group is chaired by Vice–Premier Zhang Gaoli. According to the Members of Chinese Communist Party (CCP) website, Zhang Gaoli has a portfolio of domestic economic work experience, and he was designated the deputy head of the Leading Small Group of Western Region Development in the State Council in 2013 (Member of Chinese Communist Party website, 2013). The other four members of this Leading Small Group are Wang Huning, Wang Yang, Yang Jiechi and Yang Jing (Finance.china.com, 2015). Wang Huning is a key policy advisor to President Xi and one of the individuals behind the idea of the OBOR initiative (Rolland, 2017). Moreover, Wang Huning is an esteemed theorist, regarded as one of the chief shapers of the ideology of the CCP since the 1990s. As an expert on international trade and foreign aid, Wang Yang was also a vice premier when he joined the group (Finance.china.com, 2015). Yang Jiechi was a state counsellor when he joined the group. He is an expert on international relations and diplomatic works. Yang Jing was previously the head of the State Ethnic Affairs Commission and became the secretary general of the State Council in 2013 (China.org.cn, 2013c). The experience and positions of the members of this Leading Small Group, especially the background of Wang Yang, Yang Jing and Zhang Gaoli, suggest that the domestic factors that are seen as important to the OBOR initiative are the stability of border regions, especially Xinjiang, and economic development.

The OBOR initiative was born in response to a number of domestic and international challenges. The primary external incentive was the US's behaviour in the Asia–Pacific area. During Obama's administration, the US implemented the "pivot to Asia" strategy in 2011, which was later renamed the "rebalance strategy". Although the US government insists that it welcomes the rise of China and does not seek to contain China, a number of Chinese

analysts, such as Xue Li (2016), the director of the International Strategy Research Office of the Institute of World Economics and Politics at Chinese Academy of Social Sciences, have stated that the 'rebalance' strategy aims to cope with the increasing influence of China and counterbalance China's rise. Since 2009, the US has become increasingly closely aligned with the countries neighbouring China, especially its allies, the Philippines, South Korea, and Japan (Zhang, 2016). This closeness has increased China's anxiety and irritation (ibid). The following events regarded by China as the more proactive behaviours of the US and its allies since 2010 has validated China's concerns: the government of the Philippines renaming the South China Sea (SCS) as the West Philippine Sea, Obama's meeting with the Dalai Lama and increasing pressure from the US in the SCS conflict. One of the most significant proactive developments from China's perspective is the Trans–Pacific Partnership (TPP). According to Clinton (the then secretary of state) in 2011, it is a centrepiece of the pivot to the Asia strategy (Mcbride, Chatzky, and Siripurapu, 2021). TPP was a proposed trade agreement spanning several continents, including twelve countries, which were Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and the US (ibid). These countries are responsible for around 40% of global trade (ibid). Negotiations over the TPP started in around 2005; the US joined the negotiations in 2008 (ibid).

Although this study recognises that such international factors affected the development of the OBOR initiative, it does not discuss them in detail here, since its main focus is on the domestic factors influencing China's foreign policy change. This chapter specifically investigates the influence of domestic regime considerations behind the launch of the OBOR initiative.

It should be noted that, even before the official beginning of the OBOR initiative, several Chinese scholars had warned the government about the risks associated with it. One of the significant early promoters of the OBOR initiative, Wang Jisi (2012), noted that there were a number of different reasons for which it could fail. He (ibid) identified regional conflicts in the OBOR area and "strategic balancing" practised by other major powers towards China as the major risks and challenges that could potentially jeopardise the initiative. Wang (ibid) highlighted first that the main OBOR region was not safe for investment, with many countries within it being politically unstable, economically poor and struggling due to ethnic and

religious problems. If China invested in these countries, it would inevitably become more deeply involved in the domestic issues of these countries, which could prove challenging for China to deal with. The second risk was the complicated relationship among the different OBOR countries, such as geopolitical struggles between Middle–Eastern countries such as Iran, Saudi Arabia, Turkey, Egypt, and Israel and between South–Asian countries such as India and Pakistan. If China took a clear diplomatic stance on any specific issue, it would inevitably offend certain countries. Third, China's "westward expansion" would arouse the suspicions of other major powers, especially the US, who would then take precautions against it; additionally, China's economic behaviour could easily be labelled as "neo–colonialist" or that of a "resource predator" (ibid).

Many of the problems faced by the OBOR initiative prove the foresight of Chinese scholars such as Wang. Certain OBOR projects have already provoked dissatisfaction and suspicion towards China from other countries. For example, the Indian government has expressed particular concern about the China–Pakistan Economic Corridor (CPEC), which is an OBOR project, as it includes territory claimed by India (Madan, 2016). CPEC was proposed by Premier Li Keqiang during his visit to Pakistan in May 2013, and then, in 2015, China stated that it would act as a bridge for the new Maritime Silk Road (Chinadaily.com, 2015). In 2016, Pakistan's army chief Raheel Sharif accused India of seeking to undermine this project (Reuters, 2016). From the perspective of many Indian politicians, the connectivity brought by these OBOR projects can emerge as a threat to India's geopolitical interests (Madan, 2016). In 2022, a spokesperson for India's Ministry of External Affairs commented, "We have seen reports on encouraging a proposed participation of third countries in so–called CPEC projects. Any such actions by any party directly infringe on India's sovereignty and territorial integrity. India firmly and consistently opposes projects in the so–called CPEC, which are in Indian territory that has been illegally occupied by Pakistan" (CNN–News18, 2022). Except for the CPEC, some India analysts are also sceptical towards other Maritime Silk Road projects as they think the Maritime Silk Road is a Chinese attempt to establish a "string of pearls" consisting of ports that could potentially be used for military purposes to contain India (Sharma, 2019). Nevertheless, India upholds a cautious and complicated attitude towards OBOR, because it also views OBOR as a potential economic opportunity (ibid). The US has also expressed suspicions that China is implementing the OBOR initiative in order to undermine the US. In a

report by the Council on Foreign Policy, Hillman and Sacks (2021) argued that the OBOR initiative poses a threat to the economic, political and security interests of the US. A 2022 Congressional Research Service report stated that "Some in Congress assess that OBOR projects advance China's geopolitical and economic goals while undercutting US influence and challenging US interests" (Congressional Research Service, 2022). China has also faced criticisms for practising neo–colonialism in the implementation of the OBOR by intentionally using debt–trap diplomacy to manipulate poor countries. The phrase "debt–trap diplomacy" was initially introduced by Indian scholar Brahma Chellaney in 2017. In using the term, Chellaney meant that, through OBOR projects, the Chinese government lends to smaller countries and then leverages that debt burden for its own geopolitical ends (Chellaney, 2017). In 2018, a lead economist in the Macroeconomics, Trade and Investment Global Practice of the World Bank Group wrote on the World Bank Blog that some countries had borrowed large sums of money for OBOR projects without considering their financial status; consequently, the debt they owed to China had reached unsustainable levels (Ruta, 2018). In the same year, Malaysian Prime Minister Mahathir Mohamad warned against the growing debt burden on Malaysia due to the OBOR initiative and, during a visit to China, mentioned the dangers of "a new version of colonialism" (FT.com, 2018). During the same visit, he also announced the cancellation of two OBOR projects that Malaysia had joined (Reuters, 2018b). Although he did not directly describe the OBOR initiative as a tool of China's "new version of colonialism", his action of cancelling these projects suggests that he was indirectly criticising China's "new version of colonialism".

The following question then emerges: Why did China insist on launching the OBOR initiative despite its awareness of these potential deficiencies? This chapter argues that the OBOR initiative was launched because it represents a "rational choice" for the regime. The following sections present evidence in support of this argument.

5.3 The decision making procedure of the OBOR initiative

As noted in the previous section and in greater detail in Chapters 2 and 3, the model put forth by Mintz (2004) identifies two separate stages in the foreign policy decision making procedure. The first stage retains the non–compensatory interests, and the selection process is

profoundly influenced by domestic politics (ibid). In other words, the dimension of domestic politics is usually the one considered by policymakers in the first stage. Once the alternatives that are not politically palatable or attainable are discarded, the second stage of decision making occurs, where decision–makers employ conventional decision making rules to choose among the remaining alternatives (Mintz, 2004).

In China, domestic affairs are commonly considered to be the most essential and foreign affairs assume a peripheral role (Brown, 2016). Within China, there are several issues that have led to social unrest and ideological division. These problems include, but are not limited to, the growth of vested interest groups within the Party, the backward governance in many inland local sectors, the cleavages and lack of cooperation among different government organs and socioeconomic disparities between different regions, which undermine the legitimacy of the one–party regime system (see Brown, 2016; Khan, 2018; Minzner, 2018). Thus, the Party needs to improve its legitimacy. As many scholars have indicated, the legitimacy of China's regime derives from its political performance (Gore, 2019). If the legitimacy of an authoritarian government depends on its political performance, this legitimacy is prone to a sudden and drastic decrease when the government does not perform well; the public's dissatisfaction with the government negatively affects society's support for the regime and the ruling party, threatening the party's political survival (Nathan, 2020). For example, in a context where one of the main sources of regime legitimacy is nationalism, any threat to the unity of the nation, such as independence for Xinjiang, constitutes a notable threat to the survival of the regime. The Party always needs to prove that it can make China a continuously stable, unified, prosperous, and safe country. The Party's legitimacy has also relied on achieving Gross Domestic Product (GDP) growth ever since the Reform and Opening up in 1978. In 2014, prominent Chinese politician Li Yuanchao emphasised that it is vital for the Party to ensure most Chinese citizens can enjoy a satisfactory living standard through economic development in order to prevent the decline of the Party's authority and power (Brown, 2016). Despite the fact that the era of rapid growth (above 8%) ended after 2011 (World Bank website, 2023a), a stable and positive GDP growth rate remains essential for the Party and Government.

5.3.1 The first stage: Challenges related to domestic politics and the regime

On reviewing the emergence of the OBOR concept, it becomes clear that the two main motivations behind it were the determination to stabilise Xinjiang and the need to develop China's economy. The composition of the Central Leading Small Group on Advancing the Development of the OBOR initiative, as noted in the previous section, supports this argument. The two aforementioned motivations are closely related to the regime's security. Thus, it can be argued that, when the OBOR project was being discussed and considered, the Chinese government was primarily considering the political security of the Party and the regime.

According to *The Silk Road Economic Belt and the New Pattern of Western Development in China*, the OBOR initiative constitutes an upgraded version of the previous Western Development Plan launched in 1999. This book was written at the Centre for Studies of China Western Economic Development at Northwest University, by the same team that was commissioned to write the annual "Report on the Development of Western China" over 15 years. This book belongs to a series of Blue Papers (authoritative annual reports in specific fields) published by the Chinese Academy of Social Sciences, and it has been added to the official OBOR database. Therefore, the book's statements can be considered to have reference value. The Western Development Plan aimed to deal with the under–development problem in the western region of China and, in the process, reinforce ethnic unity. According to the 2000 "Suggestions of the Central Committee of the CCP on the Formulation of Proposals for the Tenth Five–Year Plan for National Economy and Social Development", this plan aims to support the development of the western region through tax and credit incentives and financial aid in order to stabilise Xinjiang and reinforce ethnic unity (Gov.cn, 2000). The general opinion, however, is that the Western Development Plan ultimately failed. China's rapid growth since the Reform and Opening up featured significant regional economic polarisation. The eastern region quickly developed and experienced prosperity; the western region significantly fell behind in terms of development; the development of the central and north eastern regions fell somewhere between those of these two regions. In 2015, it was estimated that, in development terms, it would take at least 30–50 years for Xinjiang to catch up with the prosperous eastern coastal provinces (Ferdinand, 2016). The central government launched a "new round of Develop the West" initiative in July 2010 (Gov.cn, 2010). In the same year, Zhang Chunxian, then party secretary of the Xinjiang Autonomous Region, claimed

to make Xinjiang “a bridgehead for opening up to the West and an economic growth pole in the West to ensure the long–term security and stability of Xinjiang” (Chinagate.cn, 2010).

While at this point, the idea of the “Silk Road” was not included in the “new round of Develop the West” initiative, the basic idea of the “new round of Develop the West”, which is building Xinjiang into an inland trade pivot that links China to the countries to the west of China, was very similar to the OBOR initiative’s policy rhetoric over Xinjiang. According to the 13th Five Year Plan (2016–2020), the main objective of the OBOR initiative is to make the western China become a “bridgehead” (qiao tou bao, 桥头堡) that connect the region to the rest of Eurasia and facilitating its integration into the global economy (Ndrc.gov.cn, 2016). This vision of Xinjiang as a vital hub for opening up to the Eurasian countries to China’s west, including Central Asia and beyond, is underscored in the 13th Five–Year Plan (2016–2020) (ibid). The “Vision and Actions” document also states that “[w]e should make good use of Xinjian’s geographic advantages and its role as a window of westward opening up to deepen communication and cooperation with Central, South and West Asian countries, make it a key transportation, trade, logistics, culture, science and education centre, and a core area on the Silk Road Economic Belt” (2015, p. 14). Additionally, the 13th Five–Year Plan clearly states that “[w]e will … ensure that the One Belt and One Road initiative is able to better drive development in this region [western China]” (Ndrc.gov.cn, 2016, p. 104). Three key cities in Xinjiang, namely Urumqi, Khorgos and Kashgar, are at the centre of the various OBOR routes proposed. In their 2015 work report, the Xinjiang government claimed that Xinjiang needed to seize the important historical opportunity of the OBOR initiative to achieve the overall goal of its long–term security and stability (Chinagate.cn, 2015) – an idea that was also strongly entrenched in the earlier Western Development Plan. Furthermore, according to Cooley (2015), the development and stabilisation of Xinjiang have continuously been used to justify the OBOR initiative and emerged in discussions over the benefits of this initiative inside China. It can be claimed that the OBOR initiative, as a container of different ideas and aims in the beginning, is partly an upgrade of the Western Development Plan, which seeks to develop Xinjiang by opening up to the neighbouring countries of China in the west. The OBOR initiative’s scope of opening up to the west is larger than that of the Western Development Plan, as the former seeks to open up to all the Eurasian countries to the west to China.

The stability of Xinjiang is closely interrelated with the security of the Chinese regime. For the Chinese government, the systematic security of the one–ruling party regime is closely linked with its social stability. For example, the white paper "China's peaceful development" states that "China is firm in upholding its core interests which include the following: …China's political system established by the Constitution and overall social stability" (Gov.cn, 2011a). Separatist movements and issues of terrorism in Xinjiang threaten the Party's rule, as these things inevitably cause social instability in China and, in turn, impact the political system. From the central government's perspective, underdevelopment and instability in the west of China potentially undermine the stability of the country as a whole. Du Ying, then deputy director of the National Development and Reform Commission (China.com.cn, 2010), stated that the western region is an area of China whose land borders account for more than 80% of that of the country and which is significantly inhabited by ethnic minorities. Characterised by the intersection of cultures of various ethnic groups, the region is also treated by the central government as a key area requiring anti–separatism, anti–infiltration and anti–subversion measures (China.com.cn, 2010). In 2010, Hu Jintao emphasised that China cannot have social stability without establishing stability in the western region (Chinaeconomic.cn, 2010). At the 2nd Central Xinjiang Work Symposium held in May 2014, the participants emphasised the importance of the modernisation of Xinjiang and the development and improvement of people's livelihood in achieving the goal of long–term peace and stability in Xinjiang; they agreed that "the long–term stability of the autonomous region is vital to the whole country's reform, development and stability, as well as to national unity, ethnic harmony and national security" (Neac.gov.cn, 2015). At another CCP Central Committee meeting in the same month, Xi stated that "the long–term stability of the autonomous region is vital to the whole country's reform, development and stability, as well as to national unity, ethnic harmony and national security" (Cpc.people.com.cn, 2014a).

For the Chinese leadership, the key to curbing the proliferation of terrorism, separatism and Islamic religious extremism in Xinjiang and safeguarding the region's stability and security lies in promoting economic prosperity. In 2010, Yang Jing, the then director of the State Ethnic Affairs Commission of China, stated the following in his report to the National People's Congress:

> … accelerating the economic and social development of ethnic minorities and ethnic regions is the fundamental task in addressing ethnic issues in our country at the current stage. This relates not only to the implementation of China's regional development strategy and the realisation of the goal of building a moderately prosperous society in all respects but also to ethnic unity, social stability, and national border security, as well as the long term stability and security of the country. (Yang, 2010)

From the Western Development Plan to the OBOR initiative, the Party has been consistently concerned with Xinjiang's stability and development with the aim of protecting regime security, regardless of leadership changes. The fact that Xinjiang's stability and development are also the primary concerns of the OBOR initiative indicates that the Party was also considering the issue of its own survival while making the decision to launch the initiative.

Although the Office of the Central Leading Small Group on Advancing the Development of the OBOR initiative is under the National Development and Reform Commission, the Ministry of Commerce also played a significant role in the decision making procedure of the OBOR initiative. The Ministry of Commerce is one of the three ministries that jointly issued the "Vision and Actions" document. According to sources drawn on by Clover and Hornby (2015), "the grand vision for a new Silk Road began life modestly in the bowels of China's commerce ministry", initially as a plan mentioned by commerce officials to deal with overcapacity problems in China's manufacturing industries, especially sectors such as steel and cement. The idea of launching a huge global economic project to resolve this problem of overcapacity did not receive endorsement from top leaders until Xi visited Kazakhstan in 2013 (ibid). When Xi first proposed the initiative during his 2013 visit to Kazakhstan, he stated that the aim of the initiative was to "make the economic ties closer, mutual cooperation deeper and space of development broader between the Eurasian countries" (China.org.cn, 2013a). The organisational structure of the OBOR initiative also indicates that it was, at least initially, a strategy that emphasised economic development.

As mentioned earlier in this section and previously in Chapters 2 and 4, maintaining economic growth is essential for the Chinese government to preserve social stability and regime security. Before Xi assumed power, China was a country where trade flows tended to decline, deflation

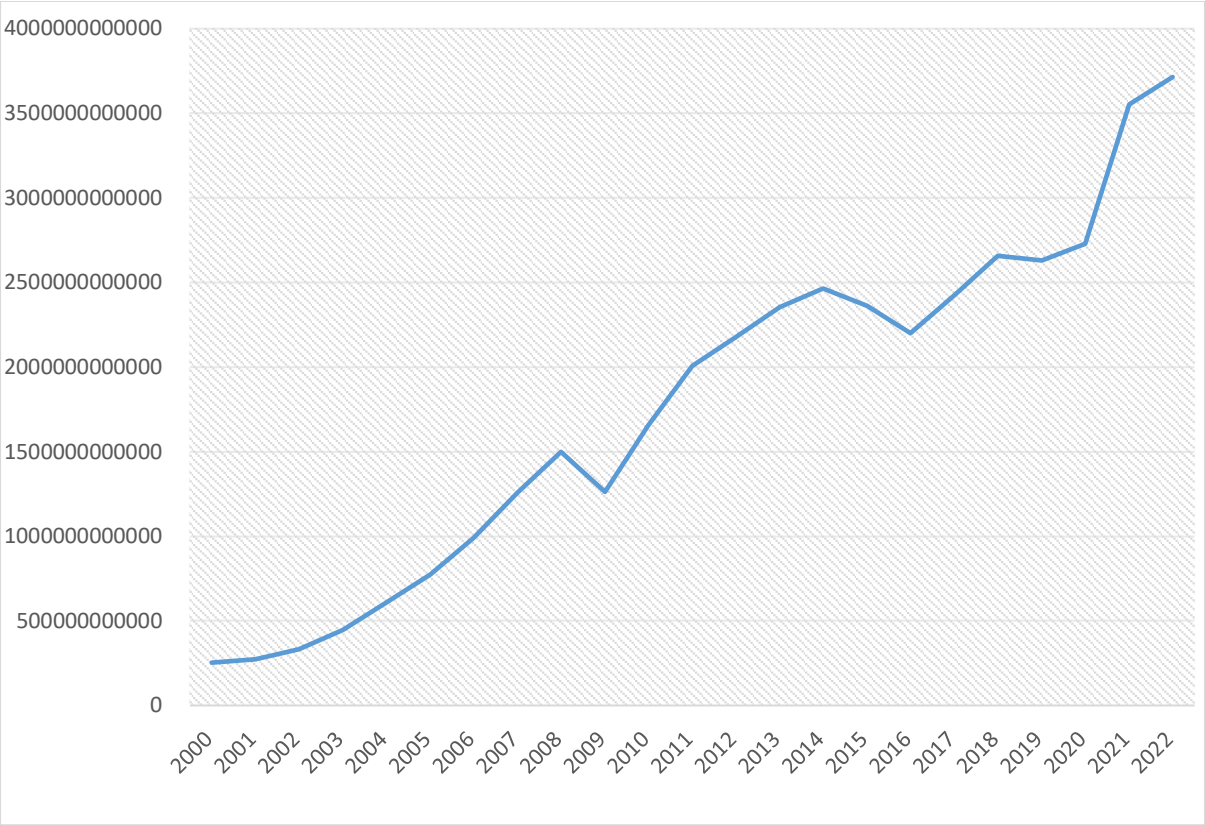
became widespread and many factories faced the challenge of overcapacity (Tekdal, 2018). Since 2012, the GDP growth rate in China has been steadily declining. For the years between 2000 and 2011, the GDP growth rate was over 8%; in contrast, since 2012, the GDP growth rate has been lower than 8% (except for 2021) (World Bank website, 2023a). The deceleration of GDP growth partly stemmed from China's transformation of its growth model (Tekdal, 2018). In 2015, China set a 6.5% GDP growth rate for the next five years (New York Times, 2015). Under the context of the economic downturn in China, China's foreign policy decisions have been deeply influenced by concerns over its economic development, and the OBOR initiative was no exception (Yu, 2017). The OBOR initiative can be viewed as a stimulus package intended to encourage the continued growth of the national economy. In fact, the idea of boosting economic development was one of the inspirations that led to the creation of the OBOR initiative. There are three economic benefits attached to the OBOR initiative: developing China's economy by integrating the country more into the global economic system through opening up to the west of China (roughly Central Asia, the Middle East and Europe. For details, please see the OBOR initiative map in Figure 5.1 above), expanding markets for China's manufacturing companies and alleviating the problem of overcapacity.

First, according to the 2015 "Vision and Actions", the OBOR initiative has the potential to improve economic development in the region along its route and China by enhancing interconnection and trade. According to Yu (2017), the economic geography theory claims that the improvement of infrastructure offers a favourable foundation for industrial development and can, thus, develop the economy. According to a 2015 interview with the office of the Leading Small Group for the OBOR initiative, the interconnection projects of the OBOR initiative improve the connections between the countries along its route and, in turn, stimulate increased economic activity in the region (Gov.cn, 2015b). The 2016 report of the Research Group of the One Belt and One Road Economic and Trade Cooperation Policy of the Foreign Economic Research Department at the Development Research Centre of the State Council mentioned that infrastructure development will help landlocked countries overcome their backward geographical conditions and develop their economy (Drc.gov.cn, 2016). Thus, for the Chinese government, upgrading the infrastructure of countries along the OBOR route to enhance cross–border transportation and economic connection, would assist China in

developing solid bilateral trade and economic relationships with countries the OBOR countries and, thus, develop the economies of all the OBOR participants, including China itself.

Second, many Chinese analysts believe that the OBOR initiative can create new markets in Eurasian countries for Chinese companies (Rolland, 2017). China's exports decreased in 2008 (see Figure 5.2 below), could be a result of the 2008 financial crisis. As a result, the Chinese government strengthened the implementation of the export market diversification strategy in 2008 (Gov.cn, 2013a). Furthermore, according to statistical data from the World Bank website (2023b), the growth rate of Chinese export of goods and services has decreased since 2011, and there was even a decrease in the value of Chinese exports of goods and services from 2014 to 2016, as shown in Figure 5.2 below. For this reason, even before the launch of the OBOR initiative, China had been endeavouring to discover new markets for exporting goods (Liu and Dunford, 2016; Yu, 2017). In the "Vision and Actions" document, excavating the potential market in the OBOR region and developing investment and trade, especially e–trade, was listed as one of the primary objectives of the OBOR initiative. According to the 2019 "Report on Jointly Building the One Belt and One Road Initiative: Progress, Contributions and Prospects" issued by the Office of the Central Leading Small Group on Advancing the Development of the OBOR initiative, the total import and export trade amount between China and countries along the OBOR route surpassed 6 trillion dollars between 2013 and 2018 (Gov.cn, 2019). Among them was the cross–border ecommerce export worth 8.48 billion dollars in 2018, increasing on a year–on–year increase basis by 67.0% (ibid). The average annual growth rate of the trade between China and other countries along the OBOR route is also higher than that of China's foreign trade between 2013 and 2018 (ibid). Additionally, the trade between China and other OBOR countries accounted for 27.4% of China's total trade in goods in 2018 (ibid). The statistical data shows that the Chinese government's idea of exploring new markets for Chinese companies through the OBOR initiative is reasonable.

Figure 5.2 Exports of goods and services (current US$) – China



(Figure made by author, Source: World Bank website, 2023b)

China has been facing a significant manufacturing overcapacity problem since the 2010s (Ye, 2019), and overcapacity has the potential to lead to an economic crisis (Erturk, 2001). Liu and Dunford (2016) stated that the overcapacity problem caused by China's economic development model has become significant due to the 2008 financial crisis. At the time, the Chinese government launched an immense stimulus package to boost its economy, which worsened the overcapacity problem (ibid). Several high–level Chinese officials, such as He Yafei (2014), the former vice–minister of the Overseas Chinese Affairs Office of the State Council, suggested that if China could help its firms "go out in search of foreign customers and markets", its manufacturing overcapacity would potentially become an opportunity for growth. In his article in the *South China Morning Post*, He (2014) stated that the construction of the OBOR infrastructure projects, such as the East Coast Railway in Malaysia, the Hambantota Port in Sri Lanka and the Gwadar Port in Pakistan, would help absorb many of China's overproduced goods, especially those that can be used for infrastructure construction, i.e., iron and steel, cement, aluminium and flat–panel glass. Chinese companies can use

domestic products while constructing the OBOR projects, thus helping address domestic production overcapacity (ibid).

It can, therefore, be argued that the impetus behind the OBOR initiative is the domestic challenges faced by China. In order to address the economic and security issues that pose a threat to the political security of the ruling Party, China needs to perform well economically while transforming its growth model for long–term development. China's economic development model was characterised by a disproportionate reliance on export–led growth, overcapacity in manufacturing and significant regional economic inequality. The Party and Government also have to address social stability issues, such as ethnic tensions in Xinjiang and Tibet. China's foreign policy mainly aims to serve its domestic needs, and the Chinese government also sought to use for OBOR initiative to tackle these economic and security problems. The members of the Central Leading Small Group on Advancing the Development of the OBOR initiative also indicated that the CCP leadership's focus on the OBOR initiative, at least in the beginning phase, has been mainly directed at developing Xinjiang and other under–developed western provinces, and at boosting trade and solving and overcapacity problem.

5.3.2 The second stage: Rational calculation of costs and benefits

The OBOR initiative emerged as a counterbalance to the US' pivot to Asia strategy and its TPP; however, except for OBOR, China had other options to counteract the TPP, such as the RCEP and the China–Japan–South Korea FTA. There are two main reasons for which the OBOR initiative won more resources from the government than the other two options: First, the OBOR initiative is operationalisable and feasible, and its benefits outweigh the risks; second, it represented the best choice among all the three optional policies at that time.

China holds a comparative advantage in infrastructure construction, which makes the OBOR initiative feasible. Infrastructure projects have been the backbone of the OBOR initiative, as infrastructure provides the necessary means for attaining many of the goals of the initiative. For instance, the railway projects and the port projects that enable closer connections between China and the other countries involved in the OBOR initiative. According to Lin (2018), a former World Bank chief economist and the founder of the National School of

Development, China had the best infrastructure–building capacity in the world in the 2010s, producing more than half of the world's steel and cement, both of which are necessary for infrastructure construction, and the world's largest group of efficient and competitive infrastructure workers. Infrastructure construction, moreover, requires capital, and China possesses an immense amount of foreign exchange reserves, at US$3 trillion (ibid), giving China a distinct advantage in capital investment for infrastructure.

The diplomatic benefit of the OBOR initiative has been that it enables China to avoid direct competition with the US in East Asia. The Chinese leadership views the OBOR initiative as a potential diplomatic strategy that will enable China to break away from the confinement in East Asia, just as the US is pivoting to East Asia and the Asia Pacific with aid from its allies, Japan and South Korea (Sun, 2013). Additionally, as argued in the previous section, the OBOR initiative is also beneficial for the regime's political survival. Considering that regime security is a non–compensatory interest, it is reasonable that Chinese leaders judged the economic losses on some OBOR projects acceptable in view of the potential contributions of the initiative to the regime. Moreover, promoting the OBOR initiative "is beneficial for China to achieve resource optimisation in a broader scope and expand market opportunities, providing new impetus for China's economic growth", as noted by Shi Yulong, deputy director of the Research Department at the Institute of Macroeconomic Research of China's National Development and Reform Commission (News.cntv.cn, 2015). He (2014) stated that the OBOR initiative can absorb China's manufacturing overcapacity and promote the upgrade of China's economic structure. Hillman and Sacks (2021) observed that China believes that the OBOR initiative can help address multiple crucial issues when officially launching the initiative. These include reducing the wealth gap between the coastal areas and the impoverished inland provinces to promote domestic political and social stability, utilising the Chinese's large sum of accumulated savings, and redirecting global commerce towards China (ibid). Wuthnow (2017) claimed that Chinese analysts saw the OBOR initiative as a tool to improve Eurasian integration in order to bolster regional stability and create a more stable security environment in China. Other benefits identified include advantages to Chinese State—owned Enterprises (SOEs) from the initiative (Rolland, 2017), the enhancement of China's international influence (Wang, 2015) and the improvement of China's energy security (Blanchard, 2016). In sum, the OBOR initiative has multiple benefits.

Furthermore, it is reasonable to assume that the Chinese leadership has recognised the potential risks of the OBOR initiative and taken action to cope with them. It should be noted that even the Chinese scholars who have realised the potential risks of the OBOR initiative are cautiously optimistic about the initiative's success (e.g., Miao, 2015; Wang, 2012). Some Chinese scholars, such as Wang (2012), have warned about the political challenges that the OBOR initiative may face. Alongside the regional conflicts in the OBOR area and the strategic balancing by other major powers in response to China, as mentioned by Wang (2012), Chinese researchers have also expressed concerns about the economic and financial risks accompanying the OBOR initiative. Gao Bai raised concerns about the ability of Chinese enterprises to internationalise, as numerous Chinese enterprises not only lack an understanding of the international environment and the local situations of many OBOR countries but also are prone to making decisions based on unwarranted assumptions, which could lead to the failure of OBOR projects (Outlook, 2015). With regard to mitigating the potential risks faced by Chinese companies in the operation of the OBOR initiative, Gao suggested that Chinese overseas enterprises should learn and respect local culture, rules and regulations and integrate into the local community of the new markets (ibid). Problems related to finance also constituted a major concern for many Chinese scholars (e.g., Miao, 2015) at the beginning stage of the implementation of the OBOR initiative. Due to its scale, the OBOR initiative needs massive funding to run long–term (Miao, 2015). Miao (ibid) mentioned that the OBOR initiative faced the problem of financial sustainability and that the mega–construction projects under the initiative may fail due to insufficient funding or shifts in government priorities. According to the Asian Development Bank (2009), an overall investment of US$8 trillion in infrastructure projects between 2010 and 2020 was required to achieve pan-Asia connectivity, with an extra input of US$290 billion on specific transportation and energy pipeline projects. Despite China's immense economic capability, such as its vast foreign currency reserves, a large sum of funding is still required to finance the numerous projects under the OBOR initiative (Miao, 2015).

Additionally, although Wang Jisi (2012) warned the government that the strategic focus of China's shift to its west could exacerbate the hostility and suspicion of other major powers towards China, he also stated that the risks of being balanced by major powers together may be avoided. Wang (ibid) suggested that if China does not act in a power–grabbing and

hegemonic way, politicise economic issues and treat normal competition as a zero–sum game, the risk of eliciting negative responses from other countries can be mitigated. In terms of the possible political and religious conflicts in the OBOR area, Wang (2012) claimed that the risk can be controlled by the use of three methods: avoidance, backup plans and more investigations to understand the areas that the OBOR initiative would connect. To better cope with conflicts, the government must maintain a neutral stance and stay out of regional strife, prepare a backup plan for potential risks and conflicts, and invest more in studying the OBOR countries in order to better understand local situations and cultures (ibid). In fact, on 21 March, hoping to reduce other countries' suspicions of the aims of the OBOR initiative, Zhang Yesui (2015), the then vice foreign minister, stated in his speech at the China Development Forum, "New Type of Major Country Relations in a Changing World", that the OBOR initiative is an economic cooperation initiative, not a geostrategic tool. In July 2016, the Ministry of Education issued the document "Promoting the OBOR Educational Action" and put forward the "Studying Abroad on OBOR Countries Promotion Plan", "Promotion Plan of Cooperatively Building Schools along OBOR" and "OBOR Teacher Training Promotion Plan" to provide support in terms of the expertise needed for the joint construction of the OBOR initiative (Moe.gov.cn, 2016). A possible explanation for these two behaviours is that the Chinese government treated the risks mentioned by Wang seriously. Furthermore, in an interview, the then person in charge of the Office of the Central Leading Small Group on Advancing the Development of the OBOR initiative (2015–2017) and the then Director of National Development and Reform Commission (2013–2017), Xu noted that China planned to create the Silk Road Fund and use the AIIB to cope with the funding problems of the OBOR initiative (Gov.cn, 2015b). Apart from the US$40 billion Silk Road Fund (People.com.cn, 2015), the US$100 billion AIIB can also aid the execution of the OBOR projects (Gov.cn, 2016). Moreover, Xu indicated that China would encourage the countries participating in the OBOR initiative to be jointly responsible for financing the initiative (Gov.cn, 2015b).

Therefore, it can be claimed that, although Chinese leaders are aware of the potential challenges threatening the success of the OBOR initiative, they believe that these risks can be controlled, as there are tools to alleviate them; accordingly, they have taken action to deal with these risks. Whether these risk–mitigating measures are actually effective is another topic. It should also be noted that the OBOR initiative initially resembled more of a draft

outline rather than a specific detailed plan. In other words, at least from 2013 to 2018, the OBOR initiative was more like a flexible proposal, allowing different government departments and enterprises to participate in their own ways, rather than a highly meticulous plan in which every step was rigorously considered. Additionally, even with these risks, as this chapter has indicated, the OBOR initiative also has various advantages (He, 2014; Hillman and Sacks, 2021; Rolland, 2017; Sun, 2013; Wang, 2012; Wuthnow, 2017). Thus, in the view of the Chinese leadership, the benefits of the OBOR initiative exceed its costs.

According to Song and Yuan (2012), at least before the publication of Wang Jisi's article promoting westward expansion, the mainstream idea of elites and high officials was that the most effective strategy for China to cope with the challenges posed by the TPP was to promote its own FTAs. The two major multilateral FTAs that China dedicated the most attention and resources to were the RCEP and the China–Japan–South Korea FTA (ibid).

The idea for the RCEP was first mentioned at the 2011 ASEAN Summit in Indonesia, and the formal negotiations started in 2012 (Ho, 2020). The RCEP was centred on the Association of Southeast Asian Nations (ASEAN) and Australia, China, Japan, South Korea, and New Zealand, the six countries with which the ASEAN already had multilateral free trade agreements FTAs (Zhou, 2020). The RCEP is the largest FTA globally and covers approximately 30% of the planet's population and GDP (ibid). It should be noted that the idea of the RCEP was initiated by the ASEAN countries, and China joined only later (Asean.org, 2013). Considering that the RCEP included China while excluding the US, while the TPP included the US but excluded China, the two free trade agreements can be regarded as being in direct competition.

The RCEP was eventually signed on 15 November 2020, and came into effect on 1 January, 2022. According to Zhou (2020), the purpose of the RCEP is to remove up to 90% of tariffs on imports between its signatories within 20 years of implementation. Additionally, the RCEP established standards for e–commerce, trade, and intellectual property among its signatories (ibid). Zhou (ibid) also noted that the RCEP facilitates China's establishment of a FTA network with its trading partners, thereby allowing China to strengthen its economic influence in both Southeast Asia and East Asia.

For developed countries such as Australia, Japan, South Korea, and Singapore, however, the RCEP was less attractive than the TPP because the latter was more open on a greater number of economic and trade issues (Wilson, 2014). In other words, at least before 2014 (one year before the OBOR initiative proposal), in many experts' view, the RCEP was likely to lose the competition with the TPP. The Chinese were also not very enthusiastic about RCEP in comparison with OBOR initiative since the former was dominated by the ASEAN and China had political and territorial disputes with ASEAN members. Zhou Shixin (2016), an expert on the study of ASEAN countries at the Shanghai Institute of International Studies, stated that the ASEAN was the actor that actually dominated the RCEP and argued that, although China should support the RCEP, it had to be careful about ASEAN members' unrealistic demands surrounding the SCS disputes and that it should not concede in the SCS issue for the RCEP. This suggests that China chose the OBOR initiative as the primary countermeasure to the TPP because China was of the shortcomings of RCEP.

At the same time, Gao Cheng, a research fellow at the Institute of Asia–Pacific and Global Strategy of the Chinese Academy of Social Sciences, claimed that if the China–Japan–South Korea FTA could be implemented, the impact of the TPP on China would be greatly reduced (Haiwainet, 2015). Negotiations for a China–Japan–South Korea FTA were set in motion in 2012 (Buckley and Jones, 2012). In 2010, China, Japan and South Korea were already major trading partners and together accounted for "about 16% of world trade in goods and services, about 20% of world GDP and about 22% of the global population" (Madhur, 2013, p. 380). According to Madhur (ibid, p. 384), the establishment of an FTA between these three countries would improve the GDP of all three: "in the range of 0.95 to 5.1 percentage points for Korea, in the range of 0.03 to 1.54 percentage points for China, and in the range of 0.03 to 1.24 percentage points for Japan".

However, according to Yang Xiyu (2013), a recipient of the State Council's Award for Distinguished Contribution to Social Science Studies, the China–Japan–South Korea FTA negotiation process was destined to be extremely difficult due to the political conflicts between these three countries (Fta.mofcom.gov.cn, 2013). In fact, the process of the FTA negotiation among these three countries was slow, and it failed to achieve much progress

over a long period (Li, 2022). Therefore, there were already suspicions regarding the feasibility of the China–Japan–South Korea FTA inside China when the OBOR initiative was proposed.

Compared with both the RCEP and the China–Japan–South Korea FTA, the OBOR initiative has four advantages. It can develop China's poor western provinces, especially Xinjiang. It is more beneficial to the development of Chinese SOEs. It can improve China's international status and satisfy the Chinese nationalistic sentiment. Finally, it can improve China's energy security.

First, the OBOR initiative offers positive prospects for the development of the western provinces and other relatively poor regions in China. As mentioned above, the Silk Road Economic Belt can enhance the economic development of both the western and north western regions of China, while the Maritime Silk Road can aid the development of the underdeveloped south–western region of China, such as the Yunnan and Guangxi provinces. In the "Vision and Actions" document (2015, p. 11), the government stated its aim to make Yunnan "a pivot of China's opening up to South and Southeast Asia". Wang Yuzhu, the executive dean of the China–ASEAN Research Institute of Guangxi University, stated that increasing Guangxi enterprises' investment in countries along the OBOR route will boost the economic development of these countries alongside creating more jobs in Guangxi (Xinhuanet.com, 2018c).

In comparison, both the Regional Comprehensive Economic Partnership (RCEP) and the China–Japan–South Korea FTA are like traditional FTAs, in that they are more conducive to the development of regions whose economies enjoy comparative advantages. In this study, the concept of "comparative advantage" is defined as an economy's advantage in producing a specific product or offering a specific service at a lower cost than other economies. As a highly populated coastal province, the Guangdong province, for example, enjoys a comparative advantage in both transport and human resources compared to many inland Chinese provinces. We can see this comparative advantage by comparing the Guangdong province with an inland western province such as Xinjiang, which has no direct access to sea transport as well as a much smaller population. According to the 2020 Chinese Population Census, Xinjiang ranked 21st in terms of population among all Chinese provinces (Stats.gov.cn, 2021). Although Xinjiang enjoys a comparative advantage in terms of energy resources, the

major coastal manufacturing provinces can import energy by sea. In fact, only three of China's top 10 high quality manufacturing provinces are not coastal provinces; they are all, however, bordered by sea–front provinces (Finance.sina, 2021). Therefore, while traditional–style FTAs are beneficial for Guangdong and other coastal provinces with globally comparative advantages in terms of human resources for developing the manufacturing industry in these provinces, they do not contribute much to poor western inland provinces such as Xinjiang in terms of such development. Consequently, the western inland provinces cannot gain much from FTAs. Therefore, ever since the beginning of China's Reform and Opening up in 1978, the development of the western region has been an issue for the Chinese government.

Second, the OBOR initiative is more beneficial for the development of Chinese SOEs. SOEs contribute around half of the central government's total fiscal revenue (Brown, 2016), and the OBOR initiative can serve as a platform for China's SOEs to enter new markets and secure contract orders from OBOR projects (Hillman, 2020). One of China's traditional modes of operation has been that the central government invests in infrastructure and then lets SOEs undertake construction contracts; this mode of operation can be adopted for OBOR projects. According to Tekdal (2018), numerous Chinese SOEs have earned OBOR contracts. In contrast, FTAs have proved less friendly to SOEs. For instance, in the China–Japan–South Korea FTA negotiations, subsidies to SOEs have proved to be one of the major stumbling blocks, as China is reluctant to give up the SOE subsidies while the other two countries have insisted that such subsidies grant SOEs unfair competitive advantages (Wei, 2013). This may indicate that, if it is successfully implemented, the China–Japan–South Korea FTA would not be favourable for Chinese SOEs.

Third, compared with the RCEP and the China–Japan–South Korea FTA, the OBOR initiative can better enhance China's international influence and satisfy the nationalist sentiment in the country. According to the government report *Building the One Belt and One Road: Concept, Practice and China's Contribution* (Yidaiyilu.gov.cn, 2017, p. 4), the OBOR initiative represents "a Chinese proposal whose aim is to promote peaceful cooperation and common development around the world". The "Vision and Actions" document also characterises the OBOR initiative as a tool for achieving the goal of building a "community of shared destiny" for the world. Moreover, many public intellectuals in China view the initiative from a

nationalistic perspective. For example, Wang Yiwei (2015) celebrated the OBOR initiative as a revival of the ancient civilisational link (the Silk Road) that connected China and the rest of the world. In his book, he also (ibid) stated that the OBOR initiative represents the inevitable trend of China's civilisation revival. His rhetoric demonstrates that the phrase "the ancient Silk Road" (gu dai si chou zhi lu, 古代丝绸之路) is linked with the Chinese' memory of their Golden Age (shengshi，盛世). The term "OBOR" can make many Chinese individuals, including intellectuals, recall China's most powerful era; thus, the implementation of the OBOR initiative can satisfy Chinese' nationalist sentiments. The office of the Leading Small Group for the One Belt and One Road Initiative also claimed that the OBOR initiative demonstrates that the "Chinese Dream is interconnected with the world dream and all countries work together to build a human community of shared destiny" (Yidaiyilu.gov.cn, 2017, p. 5).

Fourth, with the success of the Maritime Silk Road initiative, China's resource and energy security can also improve, as stated by Huang Xiaoyong (2015), the director of the International Energy Security Research Centre at the Chinese Academy of Social Sciences. Additionally, on 25 April, 2019, at the establishment ceremony of the OBOR energy partnership held in Beijing, the partnership member countries jointly released the "Cooperation Principles and Concrete Actions of the One Belt and One Road Energy Partnership" (Yidaiyilu.gov.cn, 2019b). One principle of cooperation mentioned in this document is energy security, and the document notes that the OBOR energy partnership "respects and accommodates participating countries' core interests and major concerns in energy security, and attaches great importance to the security of cross–border energy transmission pathways and transnational energy projects" (Obor.nea.gov.cn, 2019). Furthermore, China's economic development and globalisation since the 1980s have resulted in China's increasing dependence on energy imports, particularly that of oil and gas (Lanteigne, 2008). One negative outcome of this situation is the increasing risk to Chinese energy security (ibid). Chinese leaders worried that China's maritime energy lifeline may be at risk or, worse, cut off in case of international turmoil or a naval war in narrow maritime chokepoints (ibid). Hu Jintao labelled this problem as the "Malacca Dilemma" since most Chinese oil imports flow through the Strait of Malacca (Cyol.com. 2004). In 2014, China became a major global net

importer of oil, with most of its imported oil arriving by sea (Wuthnow, 2017). According to Blanchard (2016), numerous businesspeople and high–ranking People's Liberation Army Navy officers have emphasised the Maritime Silk Road's significance in ensuring China's security in importing energy, natural resources and critical commodities as well as the safety of the trade line between China and the rest of the world. Thus, the OBOR initiative can increase China's energy security by diversifying both the supply and transport routes for oil and natural gas. According to Xi, "Energy security is closely intertwined with economic development security and national security. It is a major strategic issue related to the country's economic and social development. Energy security is vital to the country's prosperity and development, the improvement of people's lives, and the long–term stability of society" (Cpc.people.com.cn, 2014b). During his 2021 visit to the Shengli oilfield in Shandong Province, Xi (2021) stated that "oil and energy construction is of great significance to our country, and as a major manufacturing country, China has to develop its real economy, and the rice bowl of energy must be in our own hands" (Economic Daily, 2021). As noted many times previously, in the view of the Chinese leadership, economic development is essential for regime security and energy security is the lifeblood of China's economic development, having significant implications for regime security.

5.4 Conclusion

This chapter attempts to answer the main research question of why China's foreign policy has changed since 2012/2013 using the case study of the launch and expansion of the OBOR initiative. The OBOR initiative is a prime representation of China's more ambitious foreign policy. The discussions on the launch and development process of the initiative confirm the applicability of Mintz's two–stage decision making model and demonstrate that, in making the decision to implement the OBOR initiative, the consideration of the Party's political security has been paramount.

Although the OBOR initiative initially emerged in response to the TPP, its decision making process shows clear links to domestic issues threatening the regime's security. Although it is undeniable that China needed to take action to cope with the external challenges posed by the TPP, it has been its domestic issues that have determined the kind of foreign policies that

should be adopted to handle the TPP issue. As the argument above has highlighted, the development of the OBOR initiative has been inextricably linked with the security of the regime: on the one hand, President Xi tends to treat domestic safety and international security together and considers internal security to be closely related to external security (China.org.cn, 2015); on the other hand, the domestic impetus for launching the OBOR initiative comprised domestic issues with the potential to challenge regime security. Therefore, although the OBOR initiative is clearly a diplomatic tool, considerations of how to resolve domestic challenges have been central to its development.

Before the implementation of the OBOR initiative, China saw the China–Japan–South Korea FTA and RCEP as key strategies to counterbalance the TPP. However, it is clear that the OBOR initiative has been more successful in obtaining greater government resources than other projects; in 2017, it was even added to China's constitution (Xinhuanet.com, 2017b). It is noteworthy that more than half of the OBOR initiative's advantages over the other two projects are aspects that are beneficial to the Party's political security. With the imbalance in regional economic growth affecting the Party's political security, the OBOR initiative was considered by the government to have the potential to boost the development of China's poor regions, especially the Xinjiang province, and to solve the overcapacity problem. Moreover, the OBOR initiative has also been able to enhance the robustness of SOEs, one of the party's most critical sources of financial income, with the greater strength of these enterprises improving the security of the regime. The OBOR initiative also has the potential to improve China's energy security, and with energy shortages exerting a direct impact on China's economic activity, energy security influences regime security.

There are many factors contributing to the ambitious proposal of the OBOR initiative. However, although the birth of the OBOR initiative took place in response to the TPP, the most important of its concerns has arguably been that of domestic political security, with the regime's domestic security serving as the main driving force behind the initiative's inauguration. In a nutshell, the OBOR initiative can be viewed as constituting a type of "economic statecraft", i.e., the Chinese government's use of economic means to pursue political or diplomatic goals in solving domestic economic problems that affect the stability of the regime as well as the issues of separationist movements and terrorism in the north

western region of China, particularly Xinjiang. Thus, it can be argued that the intention behind the OBOR initiative was to enhance the Party and the regime's political security through economic means. The fact that regime security has profoundly affected the most ambitious foreign policy under the guidance of the *fenfa youwei* strategy also demonstrates the significant influence of considerations of regime security on China's foreign policy change.

Chapter 6 Changes to China's South China Sea Foreign Policy

This chapter examines how Chinese nationalism has affected its foreign policy in the South China Sea (SCS). The aim of using this case study is to demonstrate the influence of the changed perceptions of national interest on China's foreign policy. This chapter uses narrative theory to investigate the influence of nationalism on China's SCS policy changes. In international relations theory, a narrative is a story that provides "a collective understanding of how to interpret the past, which situates the present and acts towards the future" (Barnett, 1999, p. 8). Barmé (1993, p. 260) has observed that "every policy shift in recent Chinese history has involved the rehabilitation, re-evaluation, and revision of history and historical figures as well". A changed narrative not only indicates a forthcoming foreign policy change but also rationalises this foreign policy change.

Chapter 4 illustrated that since Xi Jinping's accession, sovereignty and territory interests have become more critical than economic interests, and regime security has played a vital role in this process. With the slowdown in economic growth, the Party has relied more on nationalism to maintain its status as the only legitimate ruling party. As a result, the importance of sovereignty and territorial interests has improved.

First, this chapter will provide background to the SCS problem and China's policy shift regarding the SCS; second, it will explain the content of Chinese nationalism and changes in the country's nationalistic narrative since 2008; third, it will analyse the shift in the narrative of the SCS problem; fourth, it will demonstrate how the changed SCS narrative has influenced the shift in China's SCS foreign policy, illustrating how nationalism is a double-edged sword which, while maintaining regime's legitimacy, also affects foreign policies.

6.1 Introduction to the SCS and China's policy change in the SCS

The SCS is a maritime region spanning approximately 1.4 million square miles. It extends from the northern part of the Strait of Taiwan to the southern part of the Straits of Malacca. The SCS encompasses various geographical features, such as the Pratas Islands in the northeast, the Paracel Islands in the northern region, the Spratly Islands in the southern region, and the

Scarborough Shoal in the central-eastern section. The SCS is one of the world's critical trade routes and boasts rich fish stocks and energy resources (Ohnesorge, 2016).

Brunei, Indonesia, Malaysia, the People's Republic of China (PRC), the Philippines, the Republic of China (Taiwan), and Vietnam have all claimed sovereignty over parts or the majority of SCS. There are also overlapping territory claims over numerous SCS rocky outcrops, atolls, sandbanks, cays, reefs, and islands, such as the Paracel Islands, the Spratly Islands, and the Scarborough Shoal (in Chinese: Huangyan Island) in the Macclesfield Banks.

In recent years, there are numerous disputes have occurred in the SCS. In 2012, there was a dispute between China and the Philippines over the Scarborough Shoal (Fu, 2021), while in 2013, the Republic of the Philippines instituted arbitral proceedings against the PRC under the United Nations Convention on the Law of the Sea (UNCLOS). China chose a stance that can be summarised as neither accepting nor participating with regard to the proceedings (Talmon, 2017). In 2014, China began to build artificial islands on a large scale in the SCS (Wong and Ansfield, 2014). In the same year, there was a dispute between China and Vietnam over an oil rig deployment near the Paracel Islands (BBC, 2014). In 2015, the arbitral tribunal constituted under Annex VII to the 1982 UNCLOS ruled that the court had jurisdiction over the SCS Arbitration case, but China still refused to participate in the arbitration proceedings (Talmon, 2017). In the same year, the United States (US) began conducting freedom of navigation operations within 12 nautical miles of features such as rocks, reefs, and shoals claimed by China in the SCS (Panda, 2020). In 2016, the United Nations (UN) Tribunal claimed that China's territorial claim based on the nine-dash line was contrary to the UNCLOS, and China indicated that it would not accept this ruling (Philips, Holmes, and Bowcott, 2016). In 2018, China conducted large—scale naval exercises involving an aircraft carrier and submarines in the SCS (Chan and Zhen, 2018), and in September of that year, the US military flew B-52 bombers over the SCS (Ali, 2018). In 2019, the US successively conducted several military drills in the SCS: one with the UK in January (Westcott, 2019), one with Japan, India, and the Philippines in May (Reuters, 2019a), and one with the Association of Southeast Asian Nations (ASEAN) countries in September (Ives, 2019). It has been reported that in July 2019, China also conducted an anti-ship missile test in the SCS (Macias and Kube, 2019).

It has been widely noted that the recent Chinese leadership has adopted a more assertive and confrontational approach that emphasises China's unwavering position on territorial interests, particularly in relation to maritime territorial conflicts with neighbouring countries (Zhang, 2015). However, China is not consistently assertive and aggressive in territorial disputes, and the pattern of its actions in the SCS has changed at least three times. According to Fravel (2005), China has offered substantial compromises in most settlements of territorial disputes. Although most compromises have been made in land disputes, China has also made compromises involving maritime disputes. For example, China gave up Bạch Long Vi Island to Vietnam in 1957 (Ji, 2019). After the Mischief Reef Incident in 1995, China's behaviour in the SCS had been relatively self-restrained, accommodating, and reassuring until around 2009/2010 (Raditio, 2015). For example, China signed the 2002 Declaration on Conduct of Parties in the South China Sea (DOC) with other claimants and, in 2003, joined the ASEAN Treaty of Amity and Cooperation (ibid). The DOC promoted the resolution of territorial and jurisdictional disputes by peaceful means, and the signatories to the ASEAN Treaty of Amity and Cooperation claimed that they would not use a military approach in dealing with disputes among members (Raditio, 2019). In 2005, China signed the Joint Marine Seismic Undertaking with the Philippines and Vietnam, which allowed oil companies from all three countries to conduct a joint survey of oil deposits in the disputed SCS maritime areas (Rfa.org, 2005). These facts indicate that there was a period when China was self-restrained in SCS territory disputes. Since the end of the 2010s, however, China has begun behaving more assertively, and the intensity of conflicts in the SCS has increased (Yahuda, 2013; Raditio, 2015; Zhou, 2016; Kawashima, 2017). According to Fu Ying, chairperson of the National People's Congress Foreign Affairs Committee, and Wu Shicun, president of the China Institute of South China Sea Studies, tensions started to build up in 2009 and have escalated since 2012 (Fu and Wu, 2016). In other words, China's foreign policy has changed twice. The first change occurred around 2009, while the other occurred around 2012/2013. Moreover, the militarisation of Mischief Reef since 2014 (Wong and Ansfield, 2014) also demonstrates that there has been a fundamental shift in China's SCS policy. China had several confrontations with the Philippines over the reef, which is located in the Southeastern region of the SCS, and in 1995, China took it over completely (Raditio, 2019). At the time, China was still following the *taoguang yanghui* strategy. Although China took control of this reef in 1995, it did not take actions to militarise it until 2014. For this reason, I believe the large-scale construction of artificial islands and the

militarisation of reefs and islands in the SCS are more clear indicators that China's SCS policy has fundamentally changed under the Xi administration. Compared with China's current actions in the SCS, especially the recent construction of military outposts on its artificial islands, the difference between China's old and new SCS policies is very evident.

Moreover, China's approach towards the SCS dispute, which is different from its earlier approach, has become more proactive since the beginning of 2013. For example, China deployed the HYSY981 oil platform in disputed waters near the Paracel Islands in early May 2014 (BBC, 2014)—a move that demonstrates the country's new assertiveness in the SCS under Xi's leadership. The deployment of this oil rig led to clashes between government ships from China and Vietnam (BBC, 2014), and China's Ministry of Foreign Affairs spokesperson, Hong Lei, claimed that the drilling operation was taking place in China's indisputable waters (ibid). Lei also claimed that China had unquestionable jurisdictional rights over the area since the Xisha (Paracel) Islands were an inseparable part of China (ibid). While there had been standoffs between China and other claimants in the disputed SCS waters before 2013, this oil rig event represented a significant change. Unlike China's previous assertive actions, which were mainly reactive, in this case, China's deployment was proactive, and it did not seek to justify this action by citing other claimants' behaviour (International Crisis Group, 2015). For example, in 2011, after three Chinese surveillance boats clashed with a Vietnamese seismic survey ship and severed the ship's exploration cable, China claimed that they were the victim of Vietnam's unilateral actions and that their actions were a response to Vietnam's previous behaviour (Reuters, 2011c). Comparing these two Sino-Vietnam conflicts, it is obvious that China has become more proactive in SCS disputes under Xi's leadership.

In sum, China's foreign policy regarding the SCS has changed since 201/2013 in that China has become more proactive and aggressive in the region. Under Xi's leadership, China has paid more attention to the sovereignty and territorial aspects of the SCS problem. Xi has reiterated that China would never allow other states to harm its core interests of sovereignty and territorial integrity and has hinted that China would not trade sovereignty for development (China.org.cn, 2013b). This statement contradicts Deng Xiaoping's guidance to "set aside disputes and pursue joint development" with respect to the SCS disputes in the 1980s (Fmprc.gov.cn, 2023). Deng's approach had formerly represented the fundamental principle

of the Chinese government in dealing with SCS disputes. It is obvious that there has been a shift in China's SCS policy under Xi's leadership.

6.2 Different types of Chinese nationalism and nationalistic narratives

As noted in Chapter 2 above, scholars generally agree that the roots of contemporary Chinese nationalism are located in China's past and that the construction of this nationalism is intertwined with the narrative of past history. Subotic (2016) claims that multiple individual historical narratives can merge into one larger narrative, or a master frame. Frames are "specific metaphors, symbolic representations, and cognitive cues to render or cast behaviour and events in an evaluative mode and to suggest modes of action" (Barnett, 1999, p. 15). Different Chinese nationalists have selectively merged the anti-great power, pro-foreign countries, victim, victor, party leadership, and pride narratives to forge different nationalistic narratives with different perspectives that tell the story of China's past. The definition of these narratives can be found in Section 3.3.3.

According to Zhao (2013), there are three main strands of nationalism in China: pragmatic nationalism, liberal nationalism, and popular nationalism. Pragmatic nationalism includes the victor, victim, pro-foreign countries, anti-great power, pride, and, most importantly, the Party's leadership narratives. Pragmatic nationalism is mainly constructed and promoted by the Party elites (Zhao, 2013). It has two features: first, the Chinese nation is closely intertwined with the communist state (ibid). Second, the principle of pragmatism treats ideas and ideologies as tools and instruments (ibid). Moreover, pragmatic nationalism is more reactive than proactive in international affairs because nationalist ideology is more like a tool than a true belief for the Party who constructs it (ibid). The narrative of Chinese history articulated by pragmatic nationalism can be summarised as follows: the Chinese Communist Party (CCP) successfully liberated the Chinese from the colonial rule of the great powers and led China's rapid economic development and national revitalisation through the Reform and Opening up (Wang, 2012). According to this narrative, China can either be a victim of foreign invasion and resentment or a victor in its peaceful or hostile interactions with foreign countries (ibid), depending on government needs. Similarly, in order to consolidate the Party's rule, pragmatic nationalism can either support the narrative of learning from and

cooperating with advanced and friendly foreign countries to develop China, or propagate a narrative of hatred towards the Western states that colonised, invaded, or sanctioned China (Zhao, 2004).

China's "grand narrative" of mainstream nationalism can be argued to consist of the following six narratives: 1. the "anti-great power" narrative; 2. the "pro-foreign countries" narrative; 3. the "victim" narrative; 4. the "victor" narrative; 5. the "Party's leadership" narrative, and 6. the "pride" narrative, each representing a different perspective on the story of China's past. Zhao (2004) claimed pragmatic nationalism was the mainstream nationalism in China, and the Party and Government could select to emphasise different narratives at different times (Wang, 2012). For instance, the Party and Government can emphasise the "pro-foreign countries" narrative when it wants to cooperate with other countries and activate the "victim" narrative when it wants to fan the angry sentiment towards foreign countries among the Chinese public (Wang, 2012). The most significant feature of pragmatic nationalism is that of "Party's leadership", which suggests that only by following the Party's guidance can China succeed in maintaining its independence and achieving prosperity and national revitalisation. In other words, in the pragmatic nationalism narrative, while the importance of other constituent narratives can change, the core status of the Party's leadership narrative cannot. Narrative theory argues that a new mainstream narrative emerges when it either replaces or merges with the previous mainstream narrative (Subotic, 2016). This new mainstream narrative/master frame can affect people's understanding of the past and present and offer a possible mode of action in the future (ibid). The pattern of the Chinese government observed by Zhao (2004) and Wang (2012) suggests that the narrative theory's model of foreign policy change can help explain the relationship between Chinese nationalism and the country's foreign policy changes.

It should also be noted that the mainstream narrative/master framework is different from the grand narrative, which is usually obscure and vague enough to accommodate different narratives while remaining stable (Berenskoetter, 2014). On the contrary, there are always non-mainstream challengers to the mainstream narrative. In other words, even though both the grand narrative and the pragmatic nationalism narrative include the six constituent

narratives, the grand narrative can accommodate the decreasing importance of the Party's leadership narrative, while the pragmatic nationalism narrative cannot.

As opposed to directly state-sponsored narratives of nationalism, popular nationalism mainly draws on the pride, victim, and anti-great power narratives. Contrary to the top-down constructed pragmatic nationalism, this type of nationalism is constructed bottom-up (Zhao, 2013). The main theme of Chinese popular nationalism is that China should become stronger and more powerful and behave in a more aggressive way to fight China's bullies (mainly Western powers and Japan) and protect its interests (Hughes, 2011; Zhao, 2013). This narrative maintains that certain foreign powers, particularly the US and its allies, are hostile toward China and have a secret agenda to hinder or even stop China's rise to its natural status as a major country (Hughes, 2011; Zhao, 2013). This narrative indicates that China is in danger and should behave in an offensive way to protect itself. While the majority of popular nationalists are young and heavily influenced by new information technology, Cabestan (2005) emphasises that this form of nationalism, which emerged in the 1990s and was shaped by the government's promotion of nationalism, can be categorised as grassroots nationalism. Despite communism suppressing nationalism after the establishment of the PRC (Wang, 2012), the Party gradually turned to nationalism for legitimacy reasons. In the 1990s, grassroots nationalism resurfaced as popular nationalism, facilitated by internet technology and the patriotic education campaign.

Jiang Rong's 2004 semi-autobiographical novel *Wolf Totem* has had a profound effect on Chinese popular nationalism and can be viewed as an expression of this narrative (Hughes, 2011). According to the narrative of China's history put forward in this book, after the Han dynasty, the Han Chinese gradually lost the virtue of courage and became subject to invasion by foreign forces due to their weakness. In this process, the Han Chinese began to learn the virtues of "wolf culture", which are mainly courage and self-strengthening, from the invaders. The author encourages all Chinese to learn the positive virtues of this "wolf culture". The book is widely regarded as a key representation of Chinese popular nationalism and has inspired the naming of two nationalistic "wolf warrior" films in 2015 and 2017. Some diplomats and scholars have also used the term "wolf warrior" to characterise a new coercive style of Chinese diplomacy that emerged during the COVID-19 crisis (e.g., Hunter *et al*., 2023; Martin,

2021; Smith, 2021; Zhu, 2020). For instance, at an energy forum in Beijing in December 2020, the EU ambassador to China stated, “We need to have a common understanding to say “no” to bullying and intimidation, coercive diplomacy, ‘wolf-warrior’ diplomacy” (Reuters, 2020a). Nevertheless, one should not assume that the notion of wolf culture has been uncontroversial among Chinese nationalists. For example, Wang Xiaodong (2006), a famous popular nationalist, criticised the way in which *Wolf Totem* depicts the Han as a “sheep-like” race that was weak and submissive. Another interesting point to note is that in the two *Wolf Warrior* films, the story begins with China or the Chinese facing some kind of danger from foreign countries. In *Wolf Warrior I*, the protagonist puts a stop to drug smuggling operations from the Philippines into China and then faces revenge from the Philippine mafia, while in *Wolf Warrior II*, overseas Chinese citizens are in danger because of African rebel forces. These two films stand in sharp contrast to comparable Hollywood action movies, which always start with the protagonist or their family or friends facing threats, such as in the popular Fast and Furious series. *Wolf Totem* and *Wolf Warrior* are both products of Chinese popular nationalism, but the depiction of their protagonists is totally different. The protagonist of Wolf Totem is a compassionate yet weak person. By interacting with the robust and brave Mongolians and facing the harsh environment of the steppes, he realises that the weak Han Chinese need to learn from the tough invaders. He also argues that the earlier Chinese history of being invaded by nomads proves the correctness of his opinion. In contrast, the protagonist of Wolf Warrior I and II is a strong soldier from the very start. The common underlying theme of these two products of Chinese popular nationalism is neither the pride narrative nor the anti-great power narrative but rather the victim narrative. Additionally, this kind of popular nationalism is bottom—up constructed, in contrast to pragmatic nationalism, which is top—down constructed (Zhao, 2013). Zhao (ibid) also points out that most popular nationalists are netizens, wherein popular nationalism is expressed more on the Internet than in other forms of media.

Several scholars have identified a combined trend of pragmatic nationalism and popular nationalism during the first decade of the new century. Hughes (2011) identified a more aggressive turn in Chinese mainstream nationalism in 2008, while Zhao (2013) claims that in the same year, the Chinese government began to incorporate popular nationalism ideas into pragmatic nationalism. For example, different Chinese leaders’ speeches about national

rejuvenation indicate that since the first decade of the 2000s, Chinese pragmatic nationalism has begun to incorporate ideas from popular nationalism. In his 2003 speech "Write Down the Epic of Realising the Rejuvenation of the Chinese Nation" (entitled by Xinhua News Agency), Hu (2003) stated that the party needed to develop its economy, push for Reform and Opening up, steadily push for political system reform, promote the construction of socialist spiritual civilisation, promote the peaceful reunification of Taiwan and mainland China, maintain a friendly external environment, and strengthen the Party's governance ability. In a 2011 speech commemorating the Centenary of the Revolution of 1911, Hu (2011) stated that it is necessary to unwaveringly hold "the great banner of socialism with Chinese characteristics", "the great banner of patriotism", and "the banner of peace, development, and cooperation" in order to achieve the great rejuvenation of the Chinese nation. One key difference between these two formulations is that the 2003 speech, "peace, development, and cooperation" can be viewed as important as "socialism with Chinese characteristics" and "patriotism"; while the 2011 speech, "peace, development and cooperation" ranks only third after "socialism with Chinese characteristics" and "patriotism". By contrast, in a short speech about his reflections on visiting the "The Road to Rejuvenation" exhibition, Xi Jinping mentioned neither the importance of learning from advanced countries nor the terms peace and cooperation, which are two important indicators of a pro-foreign country narrative (Xi, 2012). Although Xi did mention Reform and Opening up in his speech, it was as a background to his main focus on socialism with Chinese characteristics: "Since Reform and Opening up, we have summarised historical experience, carried out constant and arduous exploration and, in the end, found a correct path to realise the great rejuvenation of the Chinese nation. This path is socialism with Chinese characteristics" (ibid).

Moreover, Hu's 2003 speech barely described China's so-called "Century of Humiliation" from 1840 to 1949, a period characterised by the interference and subjugation of the Qing dynasty and the Republic of China by Western countries and Japan. In 2011, Hu (2011) used around one-fifth of his speech (739 out of a total of 3,590 Chinese characters) to comment on this history, while in 2012, Xi (2012) used one-half of his speech "Achieving Rejuvenation is the Dream of the Chinese People" to discuss this history. In his narrative of China's past, Xi (2012) placed much greater emphasis on China's history of being invaded and colonised by foreign countries, commenting that "[t]he yesterday of the Chinese nation can well be called an

impregnable pass like a wall of iron, this nation of ours suffered very gravely after the beginning of the modern era, it made enormous sacrifices, such as has rarely been seen in the history of the world", a succinct expression of both the victim and anti-great power narratives.

This shift in pragmatic nationalism suggests that the former (before 2008) Chinese pragmatic nationalism, which supported peace, cooperation, and learning from developed countries, even those that may have previously invaded China (Zhao, 2013), has become more similar to popular nationalism by attaching greater importance to the anti-great power and victim narratives while de-emphasising the pro-foreign countries narrative. From the perspective of narrative theory, this convergence is a process of different narratives competing and blending with each other. Moreover, popular nationalist rhetoric is suffused with a sense of China as a victim of the "great powers", alongside a contradictory sense of superiority based on China's glorious past (Gries, 2004; Hughes, 2011). This rise in the importance of the anti-great power and victim narratives, with a concomitant decline in the importance of the pro-foreign countries narrative, represents an essential change in contemporary Chinese nationalism.

Despite these widespread perceptions that the integration of pragmatic nationalism with rising popular nationalism since 2008 resulted in a more aggressive mainstream nationalism (Zhao, 2013), some scholars have claimed that the governing elites have proved to be more powerful than popular nationalists and successfully curbed the spread of popular nationalism in the domestic context before 2008 (Weiss, 2014). One may wonder why the government has incorporated ideas from popular nationalism since 2008. The answer can be attributed to the fact that public support is necessary for the Party to maintain its legitimacy.

According to research from Tsinghua University, China allocated 514 billion yuan to domestic stability expenditures in 2009, while the military budget for the same year amounted to 532 billion yuan (Buckley, 2010). As noted in Chapter 4, at the end of the first decade of the 2000s, China "seems more nervous about maintaining long-term regime legitimacy and social stability than at any time since the period just after the 1989 Tiananmen massacre" (Christensen, 2011, p. 60). In responding to this crisis of legitimacy, the Party chose to rely more heavily on nationalism to improve its legitimacy. As a result, repressing nationalist sentiment and anti-foreign demonstrations became costly for the Chinese government in

terms of regime legitimacy (Weiss, 2014), and Chinese leaders became constrained by the nationalist rhetoric and mythmaking that they had encouraged to enhance their domestic legitimacy and rally the public. Governments can suppress popular nationalists, but this suppression will negatively affect the nationalistic passion of the public. From this perspective, when the Party oppresses popular nationalists, it is actually fighting with itself. These factors suggest that even though the Party and the elites are, in one sense, more powerful than popular nationalists, at the same time, when trying to suppress popular nationalism, the Party is constrained by the nationalist ideology that they themselves advocated for. It is thus more realistic for the governing elites to cooperate with popular nationalists than to attempt to stifle them. For instance, in relation to the SCS problem, Fu and Wu (2016) claimed that Chinese assertiveness in the SCS had been significantly affected by popular nationalist sentiment among the public and the provocative actions undertaken by foreign countries. Therefore, the Party and Government find themselves facing nationalist pressure when making foreign policy decisions, and must therefore strike a balance between popular nationalism and the dominant nationalism supported and favoured by the Party while at the same time opposing any other type of nationalism that threatens the Party's rule, such as liberal nationalism that advocates for democracy and citizenship.

While the most prominent supporter of popular nationalism inside the government might be President Xi, the influence of this post-2008 popular nationalism has been tightly constrained by political considerations. In addition to using a famous work of Chinese popular nationalism ("The China Dream") as the title of one of his most famous political proposals, Xi received two famous popular nationalists, Zhou Xiaoping and Hua Qianfang, at the Forum on Literature and Art at the Great Hall of the People in Beijing in 2014. Zhou and Hua are famous, even notorious, for their popular nationalist stance on the Chinese Internet (Ning and Wertime, 2014; Yang, 2014). According to Yang (2014), Zhou's blogs are "filled with incorrect facts and extreme viewpoints" and portray the Chinese as being insulted and humiliated. Zhou is obsessed with attacking the US, making him a very controversial figure on the Chinese Internet (ibid). The event's title, Forum on Literature and Art (wen yi zuo tan hui, 文艺座谈会), also has a strong political implication for many Chinese. In 1942, at the "Talks at the Yan'an Forum on Literature and Art", Mao Zedong stated that literature and art were subordinate to politics, signalling

the beginning of a highly controlled ideological era in which artists became spokespeople for the ruling party (Hui and Wertime, 2014). The Great Hall of the People, where Xi received the two bloggers, is also of great political significance in China as the meeting place for the full sessions of the National People's Congress and the national session of the Chinese People's Political Consultative Conference, as well as of the Party's National Congress and Central Committee. At the 2014 Forum on Literature and Art, Xi specifically praised Zhou Xiaoping and Hua Qianfang, encouraging them to persist in writing "works that carry positive energy" (Hui and Wertime, 2014), a statement that could be viewed as a signal that the Party was now publicly cooperating with popular nationalists. In fact, considering their controversial reputation, Xi's support for the two nationalists actually sends a stronger signal than supporting Liu Mingfu (the author of "China Dream", who used to be the Director of the Institute of Military Construction at the National Defense University) or Jiang Rong (a retired associate professor at the China Labor College). Liu and Jiang are more literate than Zhou Xiaoping or Hua Qianfang, who do not have high school diplomas. In Chinese society, Liu and Jiang are generally regarded as intellectuals, while Zhou and Hua are merely grassroots blog writers. At the same time, the government has continued to oppress expressions of popular nationalism when they are seen as contrary to its interests. For example, after the SCS ruling by international court arbitration in 2016, which rejected China's territorial claims over the SCS, the government endeavoured to avoid any minor or major nationalist street protests by censoring online opinions, and about one week after the tribunal made the judgement, there was only a small offline protest that happened in Heibei (Hornby, 2016). Weiss (2014; 2016) accurately summarised the contradictory relationship between the government and nationalism as follows: the government fans online nationalism while fearing nationalist protests on the streets because allowing open nationalist protests may lead to a snowballing effect and thus jeopardise domestic and diplomatic stability. This shows that the Party and Government always endeavour to ensure that they are the only actors that possess the final right to determine the correct kind of Chinese nationalism. Hence, although pragmatic/mainstream nationalism has integrated elements of popular nationalism to become more aggressive, it is still essentially pragmatic nationalism.

I would therefore take issue with Zhao's (2022) argument that Chinese leadership has given up pragmatic nationalism and propagated a new type of nationalism: a state-led nationalism

that is characterised by intolerance to any form of critique towards the rule of the CCP and its policies, a sense of antagonism against Western countries and their values, along a determined pursuit of a broad scope of national interests. Another change in Chinese pragmatic/mainstream nationalism is that its emphasis "has shifted from affirming an exclusive but positive 'us' to combating a distinctly negative 'them'." (Zhao, 2022, p. 142). However, in the main frame of this "new" state-led popular nationalism, the narrative of following the Party's leadership remains the key. We might therefore see the change in this nationalism as a change in its constituent narratives, wherein mainstream nationalism has transformed from passively reactive to actively proactive. While the emphasis on following the Party's leadership has remained constant, the frame has changed from behaving in a peaceful way by learning from and achieving economic cooperation with other countries to behaving in an assertive way to protect China's core interests from being undermined by hostile countries. Although the nationalism promoted by the Party is mainstream nationalism, that does not mean the Chinese public necessarily accepts everything put forward by the Party. Although the Party and Government can significantly influence the public's nationalistic sentiment (Weiss and Dafoe, 2019), the existence of different types of nationalism and nationalist protests demonstrate that the Chinese people have their own ideas and can evaluate the government's performance in defending the country's interests. In fact, the new mainstream nationalism since 2008 represents the lowest common denominator of popular nationalism and pragmatic nationalism—the idea that both popular nationalists and pragmatic nationalists can accept. In this new nationalism, the Party's leadership is more important than the "victim" narrative, the "anti-great power" narrative, or the "pride" narrative. Thus, the dominator of the new nationalism remains the Party, not the popular Chinese nationalists. This shift in mainstream Chinese nationalism is more like a pragmatic shift made by the Party to cope with the changed situation. Popular nationalists, such as Jiang Rong, did not totally agree with the Party's leadership content regarding Chinese nationalism. In fact, according to the foreign ministry (2013), popular nationalists used to send calcium tablets to the foreign ministry because Chinese foreign policy was "too soft" (People.com.cn, 2013). Nevertheless, the new post-2008 mainstream nationalism has received more recognition from popular nationalists due to its emphasis on the "anti-great power" narrative and de-emphasises of the "pro-foreign country" narrative (Zhao, 2022). In other words, though popular nationalists may not totally agree with the Party's leadership, the new

nationalism is more similar to the content of popular nationalism and thus more attractive to them than the previous peacefully pragmatic nationalism.

The main argument of scholars who disagree with the notion that popular nationalism could have affected China's assertive turn on the SCS problem is that the Government and ruling elites have firm control over public opinion (e.g., Chubb, 2019; Liao, 2016; Weiss, 2014). However, this does not rule out the possibility that the governing elites may have accepted some of the ideas of popular nationalism. Narrative theory suggests that the relationship between different narratives is one of competition and mutual influence rather than merely competition (Lebow, 2016; Subotic, 2016). Different narratives can merge, and different political groups that support different narratives can cooperate.

Moreover, the top-down nationalism promoted by the government is the mainstream nationalism in China (Zhao, 2013). After the government softened its repression of nationalist ideology, bottom-up Chinese popular nationalism resurfaced in the 1990s with the help of the information technology introduced into China in 1994 (ibid). Popular nationalism can be viewed as a new type of grassroots nationalism. For a time, the government attempted to suppress this bottom-up nationalism but later chose to integrate it to a certain extent into pragmatic nationalism to defend the regime (Zhao, 2013).

Nationalism and China's foreign territorial policy have engaged with each other in a spiralling, mutually influential relationship: China's territorial policy at times becomes more assertive under pressure from nationalism, while at other times, the assertive change is designed by the leaders to promote nationalist sentiment to strengthen authority (Shirk, 2014). Notably, the Party flexibly adopts different policies when interacting with nationalist groups. For example, the Party cooperated with nationalist peasants in resisting Japanese occupation and opposing the Kuomintang before 1949 (Johnson, 1962) and then chose to suppress nationalist ideology after the founding of the PRC in 1949 (Wang, 2012). Thus, the relationship between official policy and popular sentiment is not a strict causal relationship but can be seen as an interactive, constructive one. Policy changes sometimes result from rising nationalism, while at other times, the objective of policy change is to enhance nationalist sentiment. Moreover,

a rising bottom-up constructed nationalism does not necessarily lead to an assertive foreign policy change, and it can be suppressed by the government's policies. This mutually influence relationship between policy and public sentiment is the background of this case study.

6.3 An analysis of shifts in the official narratives in the *People's Daily* reports on the SCS

This section will focus on the narratives articulated in SCS news reports in the People's Daily from the beginning of 2007 to the end of 2014. The description is based on a qualitative content analysis of selected articles from this official newspaper, as detailed in Chapter 3 above.

This chapter aims to answer RQ3: How have narratives of nationalism affected China's foreign policy in the SCS since 2013? Therefore, I used the constituent narratives of Chinese nationalism to re-categorise the themes that I generated from all these news reports. The constituent narratives here are the anti-great power narrative, the pro-foreign country narrative, the victor narrative, the victim narrative, the pride narrative, and the leadership of the Party and Government narrative. As also described in Chapter 3, I developed a codebook for this study that includes a categorisation of these themes according to these different narratives. The same news item might be coded more than once because one news could include more than one theme. I have generated a table that contains the number of each narrative and the frequency of each narrative every year. The proportion of themes in each narrative commonly adds up to more than 100% because one news report usually contains more than one narrative.

To convey a sense of the changes in the narratives over this time period, the numbers and comparative frequencies of news items belonging to these different narratives are given in Table 6.1 below and are represented in graph form in Figure 6.1.

Table 6.1 Number and Frequency of Different Narratives from 2007 to 2014

Time / Narrative	2007	2008	2009	2010	2011	2012	2013	2014
Leadership of Party and Government	10 0.250	6 0.333	12 0.444	22 0.468	27 0.351	45 0.478	55 0.401	39 0.275
Pro-foreign country	17 0.425	11 0.611	8 0.296	14 0.297	43 0.558	20 0.212	40 0.292	39 0.275
Anti-Great Power	0 0	0 0	0 0	6 0.128	24 0.312	30 0.319	23 0.168	34 0.239
Pride	7 0.175	0 0	6 0.222	11 0.234	6 0.078	3 0.032	6 0.044	12 0.085
Victim	1 0.025	0 0	3 0.111	7 0.149	26 0.338	43 0.457	32 0.234	49 0.345
Victor	7 0.175	2 0.111	7 0.2592	8 0.170	20 0.260	25 0.266	13 0.095	25 0.176

(Table made by author, Source: People's Daily database and China Digital Library database, 2020)

Figure 6.1 Comparative Frequency of the Six Narratives from 2007 to 2014

(Figure made by author, Source: People's Daily database and China Digital Library database, 2020)

All news reports from 2007 to 2014 include the following narratives: "leadership of the Party and Government" (10, 6, 12, 22, 27, 45, 55, 39), "pro-foreign country" (17,11, 8, 14, 43, 20, 40, 39), and "victor" (7, 2,7, 8, 20, 25, 13, 25). The overall percentage of the "leadership of the Party and Government" narrative in all news items increased from 2007, reaching a peak in 2012 and 2013 (more than 40%) before falling back. This peak may be related to the change in administration from President Hu to President Xi. In order to ensure a smooth transition of power, *People's Daily* may talk up CCP's achievements in order to avoid political turmoil. The percentage of "pro-foreign country" narratives increased from around 42.5% in 2007 to a peak of 61.1% in 2008 and then dropped to around 30% in 2009 before decreasing slightly to about 27.5% in 2014. The percentage of "victor" narratives regularly fluctuated between 11.1% and 26.6% from 2007 to 2014.

There were no instances of "anti-great power" narratives until the end of 2009. However, from 2010 to 2014, the percentage of this narrative increased from about 12.8% to approximately 23.9%. From 2009 (the starting time of China's assertive shift in the SCS) to 2012, the average percentage of this narrative was 18.9%, while from the beginning of 2013 to the end of 2014, the average percentage was 20.3%.

Before 2009, not many news reports on the SCS employed the “pride” narrative. From the beginning of 2009 to the end of 2010, the average percentage of the “pride” narrative was 22.5%. However, since the beginning of 2011, the percentage of this narrative has been continuously smaller than or equal to 8%.

Regarding the “victim” narrative, before 2009, the most significant percentage was 2.5% in 2007. From 2009 to 2012, the percentage increased from about 11.1% to around 45.7%, with an average percentage of 26.3%. After Xi assumed leadership, the average percentage of this narrative increased to about 28.95%.

There has also been a percentage increase in the “victim” and “anti-great power” narratives under Xi’s administration. In fact, there were no instances of “anti-great power” narratives before 2010. The frequency of these narratives increased quickly after 2009, then dropped in 2013 before rising again in 2014.

The “leadership of the Party and Government” narrative has always been present, though with differences in the specific themes. Between 2007 and 2008, the only theme under this narrative was that of the “government taking actions to protect the fishers”. “Protecting sovereignty” became a dominant theme after 2009, with its percentage fluctuating around 25% between 2009 and 2014. The other interesting figure was the change in the percentage of “pro-foreign country” narratives, with an overall increase before 2012 and a peak percentage of 61.1% in 2008. However, the average percentage from 2009 to 2011 was only 38.4%, and between 2013 and 2014, it dropped to 28.3%.

There was also a decrease in the percentage of “pride” and “victor” narratives, with their average percentage declining respectively from around 10.6 % (from 2009 to 2012) to about 6.5% (from 2013 to 2014) and from about 24.5% (from 2009 to 2011) to around 13.6% (from 2013 to 2014).

6.4 The influence of nationalism on China's foreign policy in the SCS

This section begins by analysing the influence of the changed framework of the SCS narrative on China's SCS foreign policy changes and then investigates the influence of nationalism on the framework in order to understand international relations and foreign policy decisions. Patterson and Monroe (1998) argue that narratives can affect foreign policies by influencing perceptions of political issues. Deeply influenced by the Chinese nationalistic narrative, the SCS narrative influences China's foreign policy on the SCS by affecting how Chinese (elites and normal Chinese) perceive the SCS issue.

According to Odgaard (2022), China holds different concepts of sovereignty in relation to the SCS and the Arctic. The main reason is that the SCS is portrayed nationalistically as an area intimately related to China's humiliation and rejuvenation, while the Arctic is a peripheral region far from China's shores. A 2016 statement by the State Council portrayed the SCS as follows:

> The activities of the Chinese people in the South China Sea date back to over 2,000 years ago. China is the first to have discovered, named, explored and exploited Nanhai Zhudao[1] and relevant waters and the first to have exercised sovereignty and jurisdiction over them continuously, peacefully and effectively, thus establishing territorial sovereignty and relevant rights and interests in the South China Sea. Following the end of the Second World War, China recovered and resumed the exercise of sovereignty over Nanhai Zhudao, which had been illegally occupied by Japan during its war of aggression against China. (China.org.cn, 2016)

The previous official SCS narrative can be summarised with Deng Xiaoping's words regarding setting aside disputes and pursuing joint development:

1 The term Nansha Zhudao, literally "South (China Sea) Archipelago" was introduced unilaterally by China in 2016 covering the island groups known in English as the Paracel Islands and the Spratly Islands, and the Scarborough Shoal.

> The Nansha Islands have been an integral part of China's territory since the ancient times. But disputes have occurred over the islands since the 1970s. Considering the fact that China has good relations with the countries concerned, we would like to set aside this issue now and explore a solution acceptable to both sides. We should avoid military conflict over this and pursue an approach of joint development. (Fmprc.gov.cn, 2023)

The above quote represents a typical narrative, that is, a story with characters, a plotline, and meaning. In this story, China considers the overall situation and is willing to sacrifice its sovereign interests for the sake of regional peace and economic development. The foundation for the "set aside dispute and pursue joint development" narrative is the pro foreign country narrative, which links China's economic growth and development with the friendship between China and other regional states.

Regarding the SCS issue, the pro-foreign country narrative manifests in a way that appeals to all parties to adopt actions to promote regional economic development and cooperation in the SCS. Throughout the 2000s, the SCS narrative was consistent with the previous official nationalistic narrative that, since the 1980s, China has succeeded in economic and social development and regained its glory due to the Reform and Opening up policies proposed by the CCP (Wang, 2012). This cooperative narrative portrays China learning advanced technology and knowledge from developed countries and maintaining peaceful and cooperative relationships with foreign states to enhance economic development (ibid). If we compare the frame of the mainstream narrative of the time after the Reform and Opening up and that of Deng's narrative regarding the SCS issue, it is clear that the narrative of mainstream nationalism lays the foundation for this SCS narrative. The SCS narrative shares a similar framework with that of mainstream/pragmatic nationalism at that time, which is that China's peaceful development and friendly relationships with foreign countries have paved the way for China's rise and the improvement in Chinese living standards. Since this narrative of pragmatic nationalism emphasises China's economic development (Zhao, 2004), the government can claim that any sacrifice is for the greater good, which is China's peaceful rise and economic development.

The new SCS narrative is also influenced by the ideas of popular nationalism. As explained in the previous section, the new SCS narrative features a rising victim narrative and an anti-great power narrative. Zhongsheng, the pen name of the *People's Daily*, stated that certain ASEAN countries sought to seek help from great powers such as the US and Japan with the aim of constraining China and "letting go of their hands" instead of sincerely solving the SCS problem (Gov.cn, 2011b). In other words, the new SCS narrative presented by the *People's Daily* is that China is the victim of the SCS territorial dispute. While China has endeavoured to resolve this dispute peacefully, great powers (such as the US) have plotted against China in the SCS, and certain claimants (such as the Philippines and Vietnam) used this situation to take advantage of China in the SCS disputes. Moreover, in 2008, popular nationalists commonly perceived Vietnam's occupation of vast areas and resource interests in the sea as taking advantage of China's *taoguang yanghui* strategy of peaceful development (Zhang, 2010). They believed that Vietnam was using international anti-Chinese sentiments as a cover for seizing areas of the SCS via military strength (ibid). The similarity in the rhetoric and main theme of these two narratives is likely indicative of the official SCS narrative borrowing ideas from popular nationalists.

Furthermore, this narrative is likely not pure propaganda designed to appease popular nationalists: Chinese politicians comprehend the SCS territorial disputes in the same way. Yang Jiechi's 2016 interview on the Sino-Philippine SCS dispute includes four main elements: first, China has a long history of territorial sovereignty and maritime rights and interests in the SCS, and China should not give away a single inch of the land that its ancestors have left to its citizens; second, the Philippines' invasion and illegal occupation of SCS islands and its unilateral initiation of arbitration breaks the previous Sino-Philippines consensus; third, certain countries outside of the region (primarily the US) have attempted to deny China's sovereign rights and interests in the SCS and to isolate and discredit China in order to hold back the nation's peaceful development; fourth, though China has suffered unfair treatment in SCS arbitration, the Chinese government remains unwavering in its resolve to protect China's territorial sovereignty and maritime interests in the SCS. Additionally, Chinese popular nationalists' description of the SCS territorial disputes around 2008 was not only similar to the discourse of the party elite's but also to the ordinary Chinese citizens' views of the SCS around 2013. According to Chubb's 2013 survey of Chinese public opinion on the SCS and the

East China Sea disputes, the Chinese tend to view the SCS dispute through the lens of national humiliation (Chubb, 2014). The survey incorporated face-to-face interviews with 1,413 Chinese adult residents of Beijing, Shanghai, Guangzhou, Changsha, and Chengdu (ibid). Most of those interviewed "agreed or strongly agreed that the presence of Vietnam and the Philippines in the Spratly Islands constituted a continuation of the 'Century of humiliation'" (ibid, p. 61). There has also been a change in how the Chinese people consider the way of addressing the SCS disputes. According to Weiss's (2019) research on Chinese' public opinion, since 2012, the attitude of the Chinese has become more hawkish and more Chinese people endorse a greater reliance on using military strength to achieve China's foreign goals. Thus, it can claim that the SCS narrative of *People's Daily* represents the mainstream SCS narrative.

A possible explanation for this is that the broader Chinese narrative of nationalism has profoundly affected the SCS narrative. The new nationalistic narrative that has emerged since 2008 has shaped the SCS problem as that of several countries, such as the Philippines and Vietnam, trying to cooperate with the US to improve their interests at the cost of harming those of China. China is portrayed as an innocent victim that endeavours to solve problems peacefully but whose kindness is taken advantage of by others. Meanwhile, the former narrative of pragmatic nationalism also shares a similar framework with the former SCS narrative of the early 2000s up to 2008. From the data retrieved from the *People's Daily*, since 2009, there has been an increase in "victim" and "anti-great power" narratives. In other words, the rise in the victim and anti-great powers narratives and the decline in the "pro-foreign countries" narrative in news reports and official descriptions of the SCS issue demonstrates the influence of this new pragmatic/mainstream nationalism on the SCS narrative, since the same shift—a rise in victim and anti-great powers narratives and the decline in pro-foreign countries narratives—can also be observed in the new pragmatic/mainstream nationalism that has combined with popular nationalism. Zhao's (2022) research has also observed this change in China's mainstream nationalism.

It can be claimed that the new SCS narrative has influenced China's perception of the SCS issue. For example, the Chinese government's attitude toward whether the SCS represents one of China's core national interests has also changed. Before Xi took over as leader, the PRC government had hesitated as to whether the SCS was a core national interest that needed to

be protected at any cost. According to Wong (2011), there was a public debate in China over whether the SCS should be placed on par with other sovereignty issues, such as Tibet, Taiwan, and Xinjiang. In the debate over what issues should be considered national interests, only a small group of writers argued that the SCS was a core interest (Zeng, Xiao, and Breslin, 2015). In the same year, it was also argued that the Chinese government had not officially or publicly identified the SCS as a "core interest" (Swaine, 2011). Glaser (2012) agreed with Swaine and claimed that, at first, Beijing had hinted that the SCS was a core interest but subsequently backed away from this assertion. One piece of evidence for this was that in 2010, at the ASEAN defence ministers' meeting in Hanoi, China's spokesperson, Liang Guanglie, obfuscated on the issue of whether the SCS was China's core interest (Haddick, 2010). Furthermore, when Hu travelled to Washington for his state visit in 2011, he only mentioned Taiwan and Tibet as core interests and did not identify the SCS as such (Swaine, 2011).

By contrast, under Xi's leadership, the SCS has become one of China's core interests. In his administration's first year, Xi connected the notion of China's maritime interests to the country's core interest. At the eighth group study session of the Politburo on 30 August, 2013, Xi stressed that China would enhance the nation's capacity to safeguard its maritime rights and interests, and stated that the nation would not give up its legitimate rights, much less sacrifice its national core interests, for the sake of peaceful development (China.org.cn, 2013b). Three years later, on 18 July, 2016, when Wu Shengli, commander of the Chinese Navy at the time, met US Admiral John Richardson, the Chinese government did not refute Wu's statement that the SCS represented China's core interests (Nie, 2018). Moreover, it can be claimed that the fact that China has behaved more assertively in the SCS dispute since 2012 demonstrates that the SCS has become a national core interest. Before 2013, there was evidence that the SCS was not China's core national interest, while after 2013, there is clear evidence that China included the issue of sovereignty in the SCS as a core national interest. As demonstrated in Section 6.1 above, since 2013, China has behaved more assertively in the SCS, launching the massive construction and militarisation of artificial islands to protect China's sovereignty.

In his report to the 19th Party Congress in 2017, Xi stated: "We have strengthened military training and war preparedness and undertaken major missions related to the protection of

maritime rights" (2017, p. 5). By contrast, in Hu's report at the 2012 18th Party Congress, the notion of "resolutely safeguarding China's maritime rights and interests" was included under the title "Development of China's geographical space" in Chapter Eight, "Promoting Ecological Progress". Hu's (2012, p. 17) report stated: "We should enhance our capacity for exploiting marine resources, develop the marine economy, protect the marine ecological environment, resolutely safeguard China's maritime rights and interests, and build China into a maritime power". Therefore, under Hu's administration, the SCS issue was more one of economic development. This comparison also shows that China's perception of the SCS has changed. It no longer understands maritime rights from a primarily economic and ecological perspective but more from a military and security perspective.

The SCS narrative has largely followed the mainstream narrative. When the old narrative of pragmatic nationalism was: under the Party's leadership, China launched the Reform and Opening up, and by peacefully interacting, trading, and learning advanced technologies and knowledge from foreign countries, China rose up; the narrative of the SCS issue was Deng's narrative: China needed to set aside the sovereignty disputes for the sake of joint development with the neighbouring SCS countries. The SCS narrative has also changed after a new kind of nationalism that combined pragmatic nationalism and popular nationalism surged in 2008 (Zhao, 2013) and replaced the previous mainstream nationalism under Xi's leadership (Zhao, 2022). This change in the SCS narrative has likely been influenced by the changed SCS situation, but it should be noted that the direction of this change is similar to the change in mainstream nationalism. The new mainstream nationalism places more emphasis on victim and anti-great power narratives and de-emphasises the pro-foreign country narrative. The SCS narrative also shows similar changes. This new SCS narrative portrays China as a victim in SCS sovereignty disputes, while other neighbouring countries, such as the Philippines, supported by major countries such as the US, seek to take advantage of China, whose territorial interests are thus undermined. Since 2012/2013, under Xi's administration, China's perception of the SCS has shifted from an economic perspective to a security perspective, with the issue of the SCS upgraded to a core sovereignty and territorial interest. Xi's statement that China would not give up its core interests of national sovereignty for peaceful development also reveals his thinking that China had become a victim of territorial disputes due to too great of an emphasis being placed on its economic interests and that

China needed to take firmer action to protect its territorial interests. Xi's rhetoric illustrates that his perception of the SCS problem is similar to that of popular nationalists around 2008. Thus, a possible explanation is that China's SCS policy is shaped by its perception of the SCS issue, which is affected by the SCS narrative, which has been influenced by the mainstream nationalism narrative. When the mainstream nationalism narrative shifts, it affects China's foreign policy by influencing how the Chinese perceive the issues that the country's foreign policy aims to solve.

In addition, since the relationship between narrative and reality is not causal but rather mutually constructed, there is a conceptual flaw in this case study: if the popular nationalist discourse, the official discourse, and China's behaviour in the SCS are mutually constructed, how can we prove a direction of influence, let alone causality? In fact, because perceptions and foreign policies can influence each other, it is difficult to identify a causal relationship between them. For example, nationalistic sentiment can rise as a result of certain political or economic stimuli created by political elites (Ko, 2023); meanwhile, a tough foreign policy can be caused by specific interpretations of international problems (Blyth, 2003). In other words, the relationship between narratives and foreign policies is not causal because narratives are perceptions and reflections of reality but not reality. Thus, it is challenging to adopt causal logic to analyse the relationship between popular nationalist discourse, the official discourse, and China's behaviour in the SCS. What I can do is identify the chronological sequence of these three issues. For example, if A and B can influence each other mutually and if I can identify the interaction procedure between A and B, I could argue that, at some point, A influenced B, and then B, in turn, influenced A.

According to the timeline set out earlier in the study, after the outbreak of the Tiananmen Square protests and the dissolution of the Soviet Union in 1989, the Chinese leadership realised that communist ideology could no longer provide sufficient legitimacy for the CCP regime. The Chinese government then launched a patriotic education campaign to reshape both the identity of the state and the legitimacy of the regime through nationalism (Brittingham, 2007; Downs and Saunders, 1999; Gries, 2005; Holbig and Gilley, 2010; Yahuda, 2013; Wang, 2012), which also shaped the Chinese popular nationalists. The first wave of popular nationalism came around the late 1990s, marked by the significant anti-US protests

for the 1996 Taiwan Strait crisis, the 1999 bombing of the Chinese embassy, and the 2001 collision of an American surveillance plane with a Chinese fighter jet over the SCS region (Gries, 2005). While the Chinese succeeded in repressing this first wave of popular nationalism (ibid), since 2008, the narrative of popular nationalism has strongly influenced pragmatic nationalism, and the current mainstream nationalism narrative is a combination of popular nationalism and pragmatic nationalism (Zhao, 2013; Zhao, 2022). China began to act assertively in the SCS around 2009, and its level of assertiveness has escalated since 2012. Furthermore, Fu and Wu (2016) have pointed out China's assertive SCS actions is influenced by the pressure from the Chinese public opinion. Thus, it can be argued that the popular nationalist narrative affects the official nationalist narrative, while the official nationalist narrative influences China's SCS policy change.

Moreover, the new nationalism not only offers a new interpretation of the SCS issue and the actions required to solve it, but it has also influenced how Chinese leaders perceive the international order and the framework for understanding international relations and China's foreign policy. The new Chinese pragmatic/mainstream nationalism places more emphasis on the anti-great power and the victim narratives while de-emphasising the pro-foreign country narrative, shares similar perspectives with Chinese popular nationalism. According to Hughes's research (2011), popular nationalism holds that the current world system has a Hobbesian structure where any state could be a potential enemy of any other country, and the world is anarchic and dangerous. By contrast, the previous kind of pragmatic nationalism espoused by the ruling elites tended to view the international system as a Lockean system that respected state sovereignty and emphasised possible long-term cooperation. For example, Deng believed that peace and development had become two big strategic issues in the world today, the maintenance of world peace was promising, and it was a possibility that world war on a large scale would not break out for a relatively long period of time (Peng, 1997). However, since that time, more and more Chinese elites have become influenced by popular nationalism (Zhao, 2013). For instance, Dai Xu, Colonel of China's Army, claimed that China was unable to avoid a doomed war with the US, and it was surrounded by nations that would be either more inclined to the US once there was a US-China conflict or were merely hostile to China's rise (ibid). Xi (2012) claimed, "If we are backward, we will take a beating."

In 2014, Xi indirectly accused the US of having a Cold War mentality and claimed that the US should not attempt to dominate East Asia's regional security affairs or infringe upon China's legitimate rights and interests (Chinadaily.com, 2014). The difference between Deng's words and Xi's words indicates that previous Chinese leaders were more inclined to believe that the world order is Lockean, while the current Chinese leaders are more inclined to the idea that the world order is Hobbesian. This changed view could be influenced by the victim and anti great power narratives. The history of the century of humiliation presents a Hobbesian world where a weak China was the victim of invasion by great powers. A view of past experience sheds light on how to interpret the present and predict the future. The narrative of China as a victim of great powers indicates that great powers are still hostile to China, and China could still be a victim of aggressive foreign countries if it again becomes weak.

Under the previous pragmatic/ mainstream nationalism, China's foreign policy was to build peaceful and cooperative relationships with foreign countries (Zhao, 2004). For example, when an American EP-3 surveillance plane collided with a Chinese F-8 fighter jet over the SCS in 2001, and a Chinese pilot died in this collision, many Chinese citizens participated in the massive anti-US demonstrations (Weiss, 2013). In response, Chinese leaders decided to suppress these anti-US demonstrations because they did not want the anti-US nationalist sentiment to harm the Sino-US relationship (ibid).

However, due to the increasing pressure of popular nationalism since around 2005, Chinese elites have become less capable of relying on purely rational calculations in making foreign policy decisions. An indirect example of the influence of popular nationalism on Chinese diplomacy is the issue of the bullet train in the 2000s. China was originally interested in buying the high-speed rail technology from Japan's Shinkansen in the early 2000s (Xinhuanet.com, 2010). However, popular Chinese nationalists organised a massive web campaign to oppose the offering of high-speed rail contracts to Japanese companies in 2003 (Jiji Press, 2004a). The protests garnered 90,000 e-signatures within one week and seriously politicised the issue. As a result, the rail contract decision was quickly deferred (Gries, 2005). China later employed a diversified strategy in the purchase of foreign high-speed train technologies (Jiji Press, 2004b), subsequently deciding to sign contracts with Japanese, German, and French companies for different high-speed train projects (Xinhuanet.com, 2010). Popular Chinese nationalists have

also compelled the Chinese leadership to publicly express opposition towards Japan's endeavour to attain permanent membership in the UN Security Council (Gries, 2005). This behaviour was against the will of Chinese leaders who preferred to silently oppose Japan's bid rather than taking a public stand, which might jeopardise China's trade and investment relations with Japan (ibid).

The rise of a new mainstream/pragmatic nationalism that incorporated popular nationalistic ideas since 2008 has already affected the governing elites. For instance, a group of Chinese diplomats acted in a "wolf warrior" like manner (zhan lang, 战狼), adopting assertive, sometimes even rude, behaviours to defend China (Zhao, 2022). During an interview conducted in 2021 by Zheng Ruolin, a researcher at the China Institute of Fudan University, Lu Shaye, China's ambassador to France, displayed a sense of pride in his role as a wolf warrior diplomat and stated that his actions aimed to resist hostile forces that have targeted China (Guancha.cn, 2021). Lu Shaye argued that China needed to change from "lamb diplomacy" (gao yang wai jiao, 羔羊外交) to a more assertive and combative wolf warrior diplomacy in response to oppression from the US and other Western states (ibid). This diplomat's adoption of the victim and the anti-great power narratives emphasised by popular nationalism illustrates the influence of the changed nationalism on China's foreign policy, which justifies China's aggressive foreign policy as a legitimate response to a dangerous world. A possible explanation is that the Party elites have come to accept the new nationalism that emphasises victim and anti-great powers narratives and e-emphasises the pro-foreign country narrative. As a result, their view of international affairs has also changed. This case study of the SCS illustrates how this changed understanding has affected China's perception of specific international issues as well as changes in its foreign policy.

6.5 Conclusion

This chapter analysed how China's SCS foreign policy has changed under Xi's leadership. Since 2013, China has adopted a new diplomatic strategy of *fenfa youwei* ("striving for achievement"). Recently, a new pragmatic nationalism narrative has replaced the previous one and become the dominant nationalistic narrative in China. This new pragmatic

nationalism portrays China as a victim of foreign countries, especially great powers, with China's rejuvenation still facing obstacles from the outside world.

The Chinese government seeks to use nationalist ideology to fill the cleavage between Mao's era and the Reform and Opening up era and to improve its legitimacy. "Until Mao's death, China was no champion of liberal internationalism: it was a proponent of the global communist revolution" (Weiss, 2021). After the Reform and Opening up, China embraced free trade, markets, and economic globalisation (ibid). In other words, communism, the founding ideology of the Party, was abandoned (ibid). Moreover, it remains difficult for the Party to rely on anything other than nationalism and economic development to uphold the regime's legitimacy and shift people's attention away from the cleavage between Mao's era and the Reform and Opening up era.

However, the promotion of nationalism has costs. In the long run, Chinese leaders may find that their hands are tied due to invoking historical memories of shame and sorrow that could harden the public's desire to take hawkish actions. The diplomatic compromise and flexibility can become more difficult. The Chinese government indeed has many tools to repress nationalistic sentiment; however, repression comes at a cost. The cost of the repression of grassroots nationalist protests is the Chinese government's patriotic credentials and domestic legitimacy. The more nationalistic propaganda the government promotes, the higher the price of repressing nationalists.

Moreover, under Xi, the government has officially promoted the new pragmatic nationalism, which is more aggressive than the previous pragmatic/mainstream nationalism. The narrative of the changed pragmatic nationalism has deactivated the "pro-foreign country" element that existed in the previous nationalist narrative while activating the anti-great power and victim narratives.

As Barnett (1999) has suggested, the narrative of a country's past could affect how it views the current world. China's changed nationalistic narrative also affects how China understands the past, present, and future of the SCS dispute. In line with this new nationalism, China has created a new SCS narrative promoted by the mainstream media and accepted by many

Chinese people. This new SCS narrative is also supported by high-level leaders. This new SCS narrative describes China as a country that has received little appreciation for its kindness and self-restraint and has been bullied over the SCS issue by both neighbouring claimants and great powers. The 2015/2016 online opinion polls by Qualtrics and its local Chinese partner show that the public has grown increasingly hawkish regarding the SCS sovereignty issue (Weiss, 2019). Chinese leaders are now more likely to perform aggressively in international relations to demonstrate their nationalist credentials to the people so that the public will not think the top leaders are weak and turn against them (Kuik, 2017).

In sum, the Chinese government first promoted nationalism as an alternative to the previous communist ideology to underpin the regime's legitimacy. Since around 2008, this rising popular nationalism began to attract the attention of the Chinese leadership and gradually merged with the dominant narrative of pragmatic nationalism. The new nationalism combining pragmatic nationalism and popular nationalism has become the official and dominant narrative of nationalism under Xi's leadership. This new narrative of mainstream nationalism has, in turn, affected the SCS narrative and thus influenced how the Chinese understand sovereignty disputes in the SCS. The Chinese have become more hawkish than before, with more Chinese people and leaders supporting the assertive stance in the SCS disputes. This case study also demonstrates how the new nationalism affects China's interpretation of the world and its foreign policy change.

Chapter 7 How Economic Development Interests Affected the Change of Chinese Foreign Policy on State-owned Enterprises

This chapter discusses the case study of China's policy changes in relation to State-owned Enterprises (SOEs). In this chapter, I analyse how China dealt with the requirement to reform SOEs when it was trying to join the World Trade Organisation (WTO) around the turn of the millennium, in comparison with how the country treated the similar requirement around the time of the Sino–United States (US) trade war negotiations. Concerning the Sino–US trade war, I focus on the period between 2018, when the war began, and 2020, when China and the US signed the Phase One Economic and Trade Agreement. This chapter aims to demonstrate how China's economic interests drove its SOE policy change by investigating the differing influence of its economic interests on these two issues, with China two decades ago agreeing to reform its SOEs to enter the WTO but refusing to implement similar reforms when engaged in the Sino–US trade war negotiations. I argue that economic development interest played an essential role in this change. Moreover, the economic development interest inherently serves to maintain and strengthen the Chinese Communist Party's (CCP) ruling.

This chapter claims that it was the change in the perception of the relationship between China's economic development interest and the regime's security that prevented China and the US from reaching an agreement on the SOE reform term in the trade war. The two different periods considered in this SOE case study illustrate how economic development interests affect foreign policy change: If changing a policy is beneficial to China's economic development interests from the perspective of the Party and Government and, at the same time, beneficial to the regime, China will carry out the necessary reforms – as it did to join the WTO. However, when a foreign policy change is beneficial to China's economic development but possibly undermines the regime, China would resist such a change.

Chinese SOEs are enterprises owned by the state and guided by the government. SOEs are a vital part of China's public ownership economy and the critical foundation of China's socialist political system. As such, the Chinese government has implemented several measures to

maintain the dominant position of SOEs in areas such as natural resources, electricity and agriculture, with the aim of ensuring the stability of the country's political system and the orderly development of the social economy. Such measures include subsidies, preferential treatment from banks and the establishment of a certain threshold for other companies for market access (Zhang and Freestone, 2013).

Mintz's poliheuristic theory is used in this chapter: the decisions that are harmful to the policymaker's core interests are excluded from the possible options in the first stage of the decision making process, and conventional rational choice rules are adopted in the second stage (Mintz, 2004).

In other words, only those decisions that will not undermine the party-state regime's survival can enter the second stage of the cost–benefit analysis. If a decision is considered dangerous to the survival of the party-state regime system, it is not regarded as a rational choice. In this chapter, I first generate a hypothesis based on rational choice theory and then check the hypothesis against the facts of the case study. I compare the case of the negotiations over SOEs at the time of China's entry into the WTO with those at the time of China's trade war with the US to verify whether the development of each case is largely in line with the hypothesis based on the poliheuristic theory. As illustrated in Chapter 3, the hypothesis generated based on the poliheuristic theory to address this chapter's research question is as follows: The economic factors that are regarded by leaders as intertwined with the security of the regime are the primary concern during the first phase of evaluating policy alternatives. At this stage, policymakers exclude foreign economic policies that are perceived as threats to the security and continued existence of the regime. In the second phase, Chinese policymakers consider other factors, such as productivity, in making foreign policy choices. If reforms to SOEs were perceived to bolster the regime's security by boosting economic development in the case of the WTO negotiations, but not in the case of the Sino–US trade war, and if it was the changed perceptions of China's core economic interest that led to its refusal to reform SOEs in the trade war negotiation, then the hypothesis is confirmed. This means that the economic development factors related to regime security have influenced China's new stance regarding SOEs since 2012/2013.

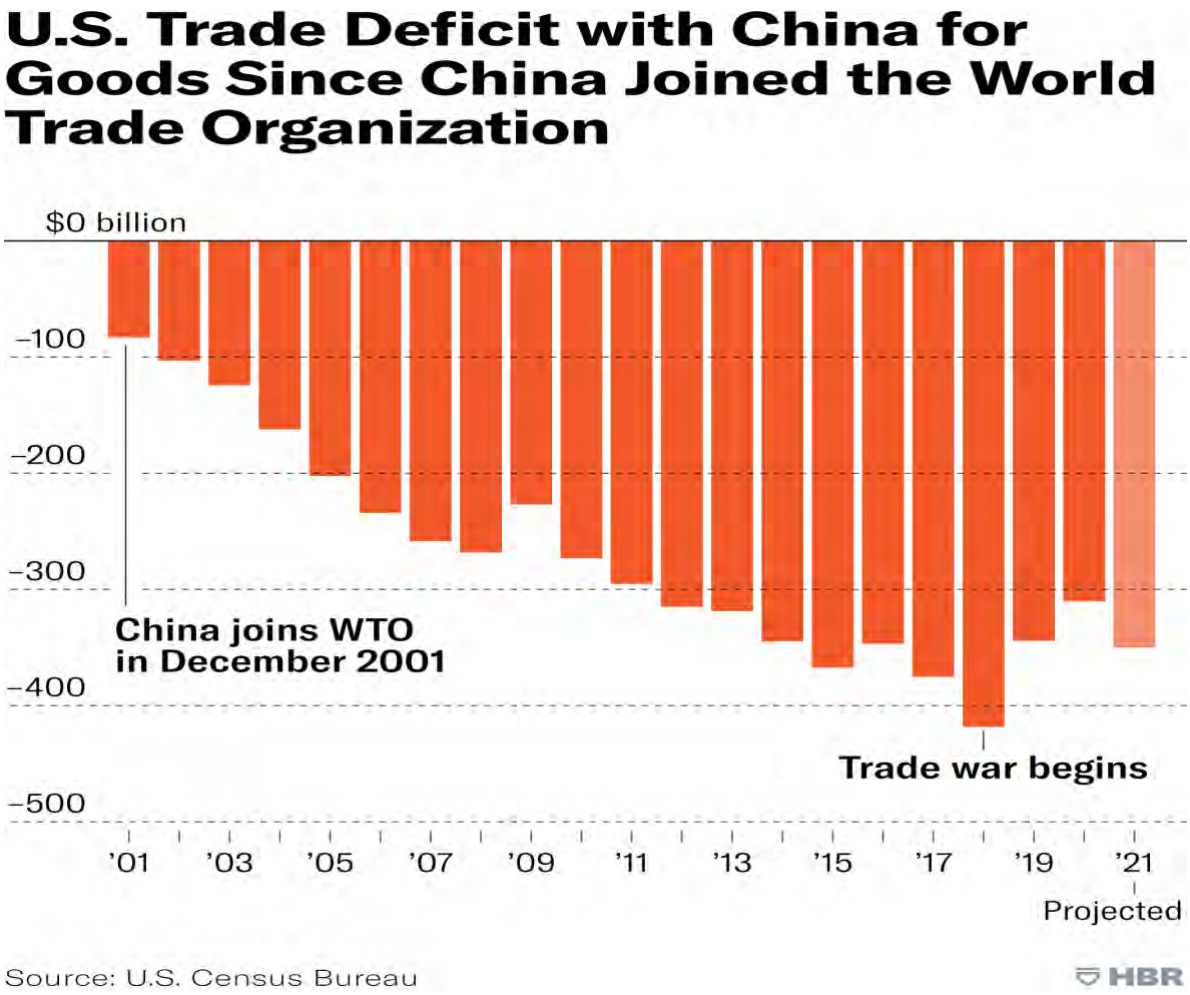
This chapter first introduces the Sino–US trade war, investigates why China carried out SOE reforms in the earlier period of the negotiations for its entry into the WTO, compares the differing situations of the SOEs in these two periods and analyses China's self-contradictory behaviours during Xi's administration. In the conclusion, a discussion of the findings in the previous sections is presented in order to verify whether the hypotheses are in line with reality. A more detailed explanation of this chapter's research methods has been provided in Chapter 3.

7.1 Background to the Sino–US trade war

The Sino–US trade war began in March 2018 when former US President Donald Trump set up tariffs and other trade barriers against Chinese goods (Henney, 2019). Based on a Section 301 investigation, the US Trade Representative imposed tariffs of 25% on approximately 1,300 Chinese imports and, in the same year, filed a WTO case against China (Henney, 2019; Ustr.gov, 2018b). Section 301 of the Trade Act of 1974 authorises the US president to take appropriate actions to deal with any foreign government practices that violate an international trade agreement or are unjustified, unreasonable, or discriminatory and that burden or restrict US commerce (Ustr.gov, 2018b). In response, in July, China imposed retaliatory tariffs of US$34 billion on US goods (a similar value to the US tariffs on Chinese goods at that time) (BBC, 2018). The economic conflict continued escalating until 2020, when, on 15 January of the same year, the US and China signed the US–China Phase One trade deal to mitigate the tug of war (Reuters, 2020b).

The Trump administration was dissatisfied with the trade imbalance between the US and China and believed that, in the growing Sino–US bilateral trade, China's trade surplus benefited China, while the US trade deficit harmed the US economy. When Trump visited Beijing in 2017, he said the Sino–US trade was unfair to the US due to the large deficit (Cnbc.com, 2017). In a 2018 Fox Business interview, Peter Navarro, the then director of the White House Office of Trade and Manufacturing Policy, claimed that the tariffs were purely aimed to reduce the trade deficit (Fox Business, 2018). Figure 7.1 below (taken from Hout, 2021) lays out the size of the US deficit in Sino–US trade since China's entry into the WTO in 2001.

Figure 7.1



(Source: Hout, 2021, hbr.org)

Apart from the bilateral trade imbalance and China's launch of the Made in China 2025 policy, the US's belief of China being a non-market economy was one of the most fundamental reasons the US triggered the trade war (Yu, 2019). In 2016, China expected that it would attain "market economy status" as a WTO member, while the US and the European Union refused to give China this status, stating that although China would no longer automatically be considered a non-market economy, neither was China necessarily a market economy (The Economist, 2016). Moreover, due to this non-market economy designation, other countries could ignore domestic Chinese prices when calculating the appropriate value of Chinese imports. In other words, other countries could use third-country prices in anti-dumping cases relevant to Chinese exports. For example, Mexican prices helped set the 48.5% duty on EU imports of Chinese bicycles (The Economist, 2016). According to the Economist (ibid), this

action of rejecting China's market economy status and China' assertive reaction may have been an early salvo in a trade war between the US and China.

According to the US Department of Commerce (2017), there are two reasons why China is a non-market economy: the state's role in the Chinese economy as well as the state's nexus with markets and the resultant substantial distortions in the private sector. Furthermore, on 21 March, 2018, the then US trade representative, Lightlizer, stated in testimony, "China does have a policy of forced technology transfer; of requiring licensing at less than economic value; of state capitalism, wherein they go in and buy technology in the US in non-economic ways; and then, finally, of cyber theft" (Rogin, 2018). The Section 301 investigation fact sheet emphasised that numerous Chinese government economic actions were discriminatory and burdened or restricted US commerce (Ustr, 2018b). According to this fact sheet, the US government believed that the Chinese economic system of state capitalism harms US commerce by setting up barriers, implementing discriminatory policies and developing its technology through non-market-economy practices (ibid). Thus, the purpose of imposing tariffs on Chinese goods in 2018 was to "confront China over its state led, market-distorting policies and practices, forced technology transfers, intellectual property practices and cyber intrusions into US commercial networks" (ibid).

According to the 2020 Phase One agreement, China would launch structural reforms and other changes in fields such as intellectual property, technology transfer, agriculture, financial services and currency and foreign exchange, and China agreed to spend at least US$200 billion to purchase American products and services over the next two years (2020–2022) (Ustr.gov, 2020). Further, the Phase One agreement indicated China would ensure fair, adequate and effective protection of the intellectual property rights of the US companies, eliminate any pressure on foreign companies by requiring them to transfer technology to Chinese firms and open up market access to US financial firms and service products (ibid). These clauses can help reduce the disadvantages experienced by foreign firms when competing with Chinese SOEs in China.

However, it would be an overstatement to say that these articles imply that China will undertake structural reform of its SOEs. Reportedly, the agreement excludes China's

corporate subsidies and the dominance of SOEs in its economy (Prasad, 2020). Moreover, according to Tang (2019), the US and China discussed the SOE issue in the trade war negotiation talks, and the Chinese government refused to accept the US's demand to reform Chinese SOEs. It is reported that the Trump administration wanted China to reform regulations that benefit SOEs and reduce subsidies and preferential loans that give SOEs an added advantage (Davis, 2019). According to Reuters (2019b), China regarded the US's demand to curb the development of its SOEs as an "invasion" of its economic sovereignty (ibid). Therefore, there was no requirement for structural reforms or changes towards Chinese SOEs in the Phase One agreement.

7.2 WTO entry and Chinese SOE reforms

China launched SOE reforms in its bid to join the WTO, which it ultimately did in 2001, but refused to do so during the Sino–US trade war between 2018 and 2020. The contrast between China's reactions in these two periods is interesting. This section aims to investigate the circumstances that led China to carry out reforms to its SOEs in the 1980s and 1990s.

The reform of China's SOEs is not purely an economic *or* a political issue: SOEs are economic bodies, but at the same time, they are politically influential in the Chinese context. Therefore, when analysing the issue of SOEs, it is vital to consider the interaction between the economy and politics. The domestic context of SOE reforms is that, in deciding to implement the strategy of the Reform and Opening up in 1978, the party line changed from one of class struggle to that of economic development (Gov.cn, 1981). The Reform and Opening up policy was implemented to transform the Chinese economy because the country's economic situation at that time was so poor that it threatened the nation's social stability and the party's rule (Brandt and Rawski, 2008; Chen, 2002). The leadership of the CCP believed that whether or not they could substantially improve the nation's economic situation was a matter of life and death for both the country and the Party. According to Chen (2002), China's socioeconomic crisis before 1978 made the whole party believe that the only way it could survive the socioeconomic challenges was through tangible economic achievements and no longer through political propaganda. Consequently, in 1978, the party proposed the Reform

and Opening up strategy, leading to the launch of many internal reforms within China and the activation of external opening up to the rest of the world.

Chinese SOE reforms can be viewed as part of the economic liberalisation reform under the Reform and Opening up policy. In this section, I define China's economic liberalisation as a programme of changes designed to transform the state's planned economy into a free market economy. According to Black, Hashimzade and Myles (2017), economic liberalisation is "a programme of changes in the direction of moving towards a free-market economy", which usually includes "reduction of direct controls on both internal and international transactions" and reliance on the market price mechanism to convey information for producers and consumers, provide incentives to producers, guide choices and allocate resources to market participants. In other words, liberalisation policies may include measures such as executing partial or complete privatisation of government institutions and state-owned assets, reducing restrictions on both domestic and foreign capital, lessening government regulations and restrictions on economic activities, and opening up markets fairly to everyone (ibid). Moreover, while China launched the Reform and Opening up in 1978, before and during the trade war, the Chinese economy is still largely state-led from the perspective of the US government.

The SOE reforms implemented around the time preceding China's entry into the WTO can be divided into three stages: the first stage (1978–84) was launched with the expansion of the management autonomy of SOEs (Lin *et al*., 2020); the second stage (1984 to the fall of 1992) began with the Third Plenary Session of the 12th Central Committee of the CCP, in which the need to separate ownership and operating rights in SOEs was clearly expressed (ibid); and the beginning of the third stage (1992–2002) was marked by the 14th National Congress of the CCP, where it was stated that the goal of China's economic reform was to establish a socialist market economy. In this third phase, China aimed to reform the ownership rights of SOEs (ibid). The National People's Congress passed the Company Law in 1994, which provides the legal basis for making SOEs become "real enterprises" that participate in market competition (ibid). It is almost certain that it is at this stage that Chinese SOEs officially emerged as legal entities since there was no legal basis for SOEs before the establishment of the Company Law. In 1995, at the Fifth Plenum of the 14th CCP Central Committee, the Party devised a strategy

for SOE reform: “grasp the big and release the small” 抓大放小 *zhua da fang xiao* (Hsieh and Song, 2015). “Grasp the big” meant that policymakers should focus on maintaining state control over large SOEs in strategic areas such as natural resources, agriculture, military manufacturing, aviation, finance, construction, and telecommunications; while “release the small” meant that the government should give up control of small and medium-sized SOEs in non-strategic areas such as automobile, medicine, chemical industries and the Internet (ibid); the latter types of SOEs could be privatised. These facts suggest that the SOE reforms during the 1980s and 1990s represented a process of liberalisation.

China’s liberalisation of SOEs and its entry into the WTO happened almost in the same period: from the early 1980s to the late 1990s. In the early 1980s, the Chinese government started to prepare to restore its status as a party to the General Agreement on Tariffs and Trade (GATT) (Gov.cn, 2005). China was one of the original signatories of the GATT in 1948, before the foundation of the PRC in 1949 (Chen, 2021). On July 10, 1986, China formally demanded the restoration of its status as a party to the GATT (Gov.cn, 2005). In October 1992, China started officially applying to join WTO (Chen, 2021), an organisation that was developed out of the GATT and began functioning officially in 1995. After 1995 and before China finally joined the WTO in December 2001, extensive negotiations occurred over China’s entry (Gov.cn, 2005). Among the bilateral negotiations with the 37 members of the WTO, the most difficult was the negotiation with the US, specifically about the Most Favoured Nations principle/Permanent Normal Trade Relations (ibid). Permanent Normal Trade Relations can be viewed as equal to the Most Favoured Nations in the case of Sino-US trade relationship. The Most Favoured Nations treatment requires WTO members to accord the most favourable tariff and regulatory treatment given to the product of any one member at the time of import or export of “like products” to all other members. This is a bedrock principle of the WTO. The US previously reviewed China’s Normal Trade Relations status annually, before passing legislation to grant Permanent Normal Trade Relations with China in 2000. One of the main reasons the US agreed to pass this legislation was to encourage China’s economic liberalism reform (State.gov, 2000). Moreover, in a BBC interview, the director of the Centre for China and Globalisation think tank, Wang Yaohui, stated that, in order to satisfy the entry requirements of the WTO, China had undergone many economic reforms even before entering the organisation (Chen, 2021). According to Wang, prior to China’s entry into the

WTO, all trade activities in the country were monopolised by dozens of state-owned trading companies, with both imports and exports governed by compulsory quotas; however, joining the WTO meant that every company in China was placed at an equal level, thereby breaking the previous monopoly (ibid). In preparation for its WTO entry, China modified tens of thousands of provisions deemed "inappropriate" for a market economy, undergoing a thorough ideological, practical, and institutional transformation (ibid). Furthermore, in the WTO entry protocol of the PRC (2001), China committed to carrying out deeper reforms in China's state-owned sector. China also promised to reform subsidies to SOEs and eliminate all subsidy programmes falling within the scope of Article 3 of the "Agreement on Subsidies and Countervailing Measures" after its WTO entry (Bajona and Chu, 2010). According to Bajona and Chu (2010), China pledged to make its SOEs run on a commercial basis and be responsible for their losses. The country fulfilled its promise to reform SOEs to a large extent, and the Chinese economy benefited from this move (ibid). The main disadvantage of SOEs is that they could be less effective than private-owned companies (POEs) in making profits (Phi *et al.*, 2021). Under the protection of the government, these SOEs may gradually lose competitive motivation, entrepreneurship spirit and the vitality of development (Kowalski *et al.*, 2013). Bajona and Chu (2010) argued that the SOE reforms implemented around the time preceding China's entry into the WTO, such as the reduction in SOE subsidies, boosted China's economic development, which is the most important source of popular legitimacy for the ruling party from the 1990s to 2010s.

Furthermore, the PRC began to seek to restore its status as a GATT-contracting party in the early 1980s, although it has been reported that the PRC could have quickly resumed that status when it continued its seat at the United Nations (UN) General Assembly in 1971 (Chen, 2021). According to Long Yongtu, the then chief negotiator for China's resumption of the GATT-contracting party status, the Party and Government chose not to join the GATT in the early 1970s (ibid). When Mao Zedong was the PRC leader, the Party and Government perceived that the GATT was simply a toy of the rich countries club and was dominated by Western countries (ibid). However, Deng Xiaoping, who became the leader in 1978, realised that it would be beneficial for China to join the GATT, and since then, the Party and Government began to apply to restore its status as a GATT-contracting party and applied for entry into the WTO, the successor of the GATT (ibid). This shift can be attributed to the fact

that the PRC's attitude towards joining GATT/the WTO was consistent with its overall party line at the time. When the overall line during Mao's administration was one of class struggle, China refused to join the WTO although it could, in line with its understanding of class struggle against rich, developed Western countries. When the government line was economic development, China sought to join the WTO.

The Chinese government launched SOE reforms around the time preceding its entry into the WTO since it was convinced that joining the WTO would bring multiple benefits in terms of economic development to China. According to the memorandum of negotiation on China's entry into the WTO published on the government's website in 2005, there were multiple major advantages to China's entry into the WTO. First, joining the WTO was conducive to accelerating the marketisation of the national economy since protecting fair competition in the market is the "core" rule of the WTO (Gov.cn, 2005). The Chinese government stated that WTO entry assisted it in promoting the formation of a unified and open domestic market and in strengthening the fundamental role of the market in resource allocation by breaking the problems of the so-called "regional blockade" – that is, provincial protection of local enterprises – and "departmental monopoly" – that is, when government departments took actions to protect specific companies and their economic interests within a particular industry (ibid). Second, WTO membership meant that Chinese enterprises would have more opportunities to expand their foreign markets and could engage in international trade and investment without discrimination (such as disapproval or interference in certain economic activities of Chinese enterprises) from the local government. Third, China also needed to fulfil its obligations in the negotiations on tariff concessions, market access and the principle of non-discrimination, which enabled China to attract foreign capital and investment and Chinese companies to cooperate with multinational companies in depth and learn management experience from these companies. Furthermore, the government's commitment to abide by the WTO's rules reversely coerced the government to manage the economy based on the principles of the market economy, and this would promote the government's transformation and the development of a relevant legal system. To fit into the market economic system, the government needed to change its function, develop a democratised and institutionalised decision making system and improve the macro-control system. Fifth, WTO membership could contribute to the transformation of the Chinese mode

of economic growth, the optimisation and upgradation of the Chinese industrial structure and the formation of a new income distribution system in which distribution according to work is dominant and a variety of modes of distribution coexist. Additionally, joining the WTO has enhanced China's international status in global economic affairs (Gov.cn, 2005).

A probable explanation for the Chinese government's positive evaluation of the benefits of WTO membership mentioned above is that the Chinese leadership at that time believed joining the WTO was favourable for Chinese economic reform and development. The WTO's pressure on China to abide by the WTO regulations and fulfil its reform promises was an external source, which encouraged China to push forward with necessary economic reforms. Chinese leaders were able to utilise the WTO's demands as a tool to suppress domestic opposition against the SOE reforms and the marketisation of the Maoist socialist command economy. SOEs were at the time, and are still, intertwined with China's economic and political systems (Chen and Dickson, 2008; Rajagopalan, 2013; Ye, 2020); thus, there was always the possibility of vested interests being able to block China's SOE reforms. For example, the above official evaluation stated that China's membership in the WTO could help it break up departmental monopolies. In other words, from the perspective of the Chinese government, participating in the WTO would contribute to reducing the incidence of subordinate departments in the bureaucracy using their power inappropriately to exclude, restrict or prevent other companies from accessing certain areas to compete with SOEs.

The Party and Government believed that the reform of SOEs was crucial. In the process of China's economic system reform, the SOE reform has been the main obstacle and the central point of the reform at the same time. In 1999, in "the Decision of the Central Committee of the Communist Party of China on Major Issues Concerning the Reform and Development of State-owned Enterprises", the party stated, "The SOE reform constitutes the central link of the entire economic restructuring" (lawinfochina, 1999). This decision went on to claim the following:

> In establishing and improving a socialist market economic structure and effecting a good combination of public ownership and market economy, the most important thing is to enable the SOEs to form a management system and an operational mechanism that suit the demands of the market economy. (lawinfochina, 1999)

It was reasonable for the Chinese government to make the claim that SOE reform is inseparable from the marketisation of the broader economy. Marketisation reform is one of the main pillars of economic reform in the process of building a socialist market economy, a reform that requires the government to ease its control over the market. Similarly, SOE reform can make it more difficult for the government to exert its influence on the market using SOEs as a tool. SOE reform is also a major constituent of mixed ownership reform because SOEs are the foundation of the Chinese public ownership system. The aim of mixed ownership reform is to transform a public ownership system into a mixed ownership system in which public ownership is the primary form of ownership and other forms of ownership develop simultaneously. From this perspective, the WTO's requirement for SOE reform has contributed to the development of Chinese enterprises and the reform of China's economy, which is one of the main reasons China accepted the WTO demands regarding SOE reform. However, this does not mean there was no controversy within the Party over the SOE marketisation reforms or that the reforms faced no resistance. In fact, strong opposition to joining the WTO existed at the time. According to Peng Sen (the former deputy director of the National Development and Reform Commission and the former deputy director of the Economic System Reform Office of the State Council), during the period of 1989–1990, several individuals inside the Party suggested that the upheavals in many Eastern European countries were the result of so-called "peaceful evolution", which is a strategy to infiltrate and overthrow socialist regimes by spreading western political, economic and social ideas, fomenting discontent sentiments and encouraging people to riot against the Party (Chinareform.org.cn, 2020). On the other hand, some high-level officials held that the most severe and dangerous aspect of peaceful evolution was in the economic sphere (ibid). These high-level officials argued that the economic reforms had introduced certain capitalist elements, such as the privatisation associated with the reform of enterprises. Nevertheless, with Deng's support for the Reform and Opening up, in the end, the whole Party agreed to the economic reform (ibid).

China's consideration of its domestic economic situation could have affected China's acceptance of the SOE reform requirement during the WTO entry negotiation. China accepted the SOE reform terms in the WTO entrance negotiations because the Chinese government already had the intention to carry out this kind of reform and regarded the WTO's

requirement for the SOE reform as a helpful external incentive. In other words, having SOE reform and joining WTO were both acceptable decisions at that time since they were beneficial to China's economic development and, thus, favourable to the regime's survival. In contrast, not launching SOE liberalisation reform and rejecting entry into the WTO would have been regarded as harmful to the regime's survival and, thus, would have been excluded as alternatives at the beginning of the relevant foreign policy decision making process.

7.3 Sino–US trade War and reform of Chinese SOEs

A reasonable expectation is that, in line with China's previous actions since Deng, the Party and Government might launch a further liberalisation market reform of SOEs to boost the economy, considering China's recently falling economic growth rate. Moreover, in the 2010s, the government is more nervous about its regime's security than it has been at any point since the 1990s (Christensen, 2011; Khan, 2018). Maintaining a high level of economic growth is particularly important for China due to the implicit agreement between its government and its citizens, which is the relinquishment of political liberties in exchange for economic prosperity, the improvement of living standards and opportunities for social status rising (Balding, 2019). According to Chen (2013), the Chinese citizens' support for the CCP and relative indifference to democracy since the 1990s might be attributed to their contentment with the current economic development, improvement of living standards and more opportunities for social class rise. The potential deceleration of economic growth is anticipated to cause discontent among the general public and decrease the level of tolerance towards the previously tolerable problems within the political system, such as corruption (Diamond, 2003; Pei, 2015). The absence of a democratic mechanism to channel this discontent has the potential to diminish public's support for the government (Roberts *et al.*, 2021).

However, although the clause on SOE marketisation reform suggested by the US may give the Chinese government an external incentive to carry out marketisation and privatisation reforms of its SOEs, just as in the 1990s, the current Chinese government is reluctant to accept this term in the trade negotiation, although SOE reform has proved useful in developing China's economy (Pei, 2015). In this section, I investigate this contrast in the behaviours of

the government between the 1990s and the 2010s and argue that changes in the SOEs and China's current interests in relation to economic development have contributed to China making different decisions in similar situations. The economic and political benefits of SOEs for the CCP make it difficult for the government to accept the complete liberalisation of SOEs proposed by the US. This section first introduces and compares the conditions of SOEs during the WTO negotiations in the 1990s and those during the trade negotiations in the 2010s. Then, this section further analyses the self-contradictory attitude of the Chinese government towards the SOEs under Xi's administration by presenting two cases: Xi's reinforcement of the party's control over SOEs while publicly stating his support for separating the government's control and enterprises' management rights and China's attitude towards the "competitive neutrality" principle in the trade war negotiation.

7.3.1 Reasons why liberalisation of SOEs became less attractive

In 2015, the Chinese government issued a document titled "Guiding Opinions of the Central Committee of the Communist Party of China the State Council on Deepening the Reform of State-owned Enterprises" that aimed to promote the reform of SOEs and make SOEs "bigger, better and stronger" (zuo da zuo you zuo qiang, 做大做优做强) (Gov.cn, 2015c). This document clarified that SOEs played play a significant role in promoting economic and social development and would continue to play an important role in upgrading economic development model and promoting China's economic development (ibid). This document demonstrates that the Party and Government believe that, in general, SOEs are beneficial. This somewhat explains why the kind of SOE reform the US suggested had become hard to accept for China. There are five main reasons why the liberalisation of SOEs has become less attractive under Xi's administration. First, improving the production efficiency of SOEs is no longer the overriding requirement; second, SOEs have become an important source of taxation; third, amidst the trade war and mounting employment pressure, SOEs are seen as a crucial reservoir for job creation; fourth, SOEs are instrumental in controlling critical economic activities and facilitating the implementation of key national policies; fifth, the government believes that SOEs can drive innovation and play a crucial role in enhancing China's innovation capabilities.

The social and economic situation of China in recent years represents a marked change from that of China in 1978 when the Reform and Opening up was first proposed. The broad social context of the liberalisation of Chinese SOEs is that China began to emphasise economic development, which has since become one of the two pillars of the party's legitimacy. Rapid economic development requires both market reforms and ownership reforms. The 1981 document "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China" can probably be regarded as the most critical official document in the party's history, as it stated that the focus of the Party and Government's work needed to be shifted to economic development. Accordingly, two guidelines for economic development were put forward in the document: to respect science and act in accordance with economic laws and to reform and improve the socialist relation of production (the relationship between people formed in the process of social production), to make it conform to China's productive forces (the material force that transforms and influences nature and adapts it to social needs) (Gov.cn, 1981). The guideline of acting according to economic laws eventually turned into respecting the role of the market in economic activities, which then transformed into marketisation reform. The second guideline for changing production relations developed into ownership reform. In the paragraph about guidance for reforming social production relations, this sentence appears: "The state economy and the collective economy are the basic forms of the Chinese economy, and the working people's individual economy within certain prescribed limits is a necessary complement to public economy" (Gov.cn, 1981). Ownership reform was necessary to make the relations of production suitable for a non-publicly owned economy. As stated above, SOE reform was central to marketisation and ownership reforms.

China's economic situation has changed dramatically since the Reform and Opening up was implemented in 1978. After a long period of rapid development, in 2010, China became the world's second-largest economy, although its economic development has slowed down and China's "economic miracle" has faced some problems since 2011 (Pei, 2015). Moreover, the increasing economic inequality among the rich and the poor Chinese since the Reform and Opening up has become a severe issue for the country (Shirk, 2008). China also faces the problem of regional economic and development inequality (ibid). Under the Reform and Opening up strategy, the coastal areas developed rapidly from global trade, while the inland

areas made only minor gains from international trade. Additionally, the problem of corruption has become more and more severe. In comparison with 1978, although China has become richer, the problem of economic inequality has worsened in the 2010s.

Concerning the problem of the slowing growth rate, Chinese leaders proposed the term “new normal” and suggested that, in order to cope with this “new normal”, the government would simplify its administrative procedures and delegate powers, upgrade China’s economic structure, develop the domestic consumption market and support the development of innovative enterprises (Xi, 2014). Moreover, from the perspective of the Chinese leader, the principal contradiction within the country since 2017 was no longer the old contradiction between the ever-growing material and cultural needs of the people and the backwardness of social production. Instead, according to Xi (2017, pp. 9–10), “China’s overall productive forces have significantly improved, and in many areas, our production capacity leads the world. The more prominent problem is that our development is unbalanced and inadequate. This has become the main constraining factor in meeting the people’s increasing needs for a better life.” The party decided to solve this old principal contradiction by concentrating all efforts on developing productive forces and industrialising the country (Gov.cn, 1981). Nevertheless, the party’s primary mission has changed because it perceived that the principal contradiction had changed. For the current contradiction, the resolutions are to “devote great energy to addressing development’s imbalances and inadequacies and push hard to improve the quality and effect of development” (Xi, 2017). The Reform and Opening up, including reforms to the economic system and SOEs, were all launched when the central task of the party was to develop productive and industrial forces. Nevertheless, the party’s primary mission has changed because it perceived that the principal contradiction had changed. For the current contradiction, the resolutions are to “devote great energy to addressing development’s imbalances and inadequacies and push hard to improve the quality and effect of development” (Xi, 2017).

It can be argued that the party’s understanding of the importance of SOEs would also have changed when its primary task became to improve the balance, adequacy, quality, and effect of development. For example, Xi stated that SOEs should play a significant role in deepening supply-side structural reform (Gov.cn, 2017b). This shows that SOEs have become a critical

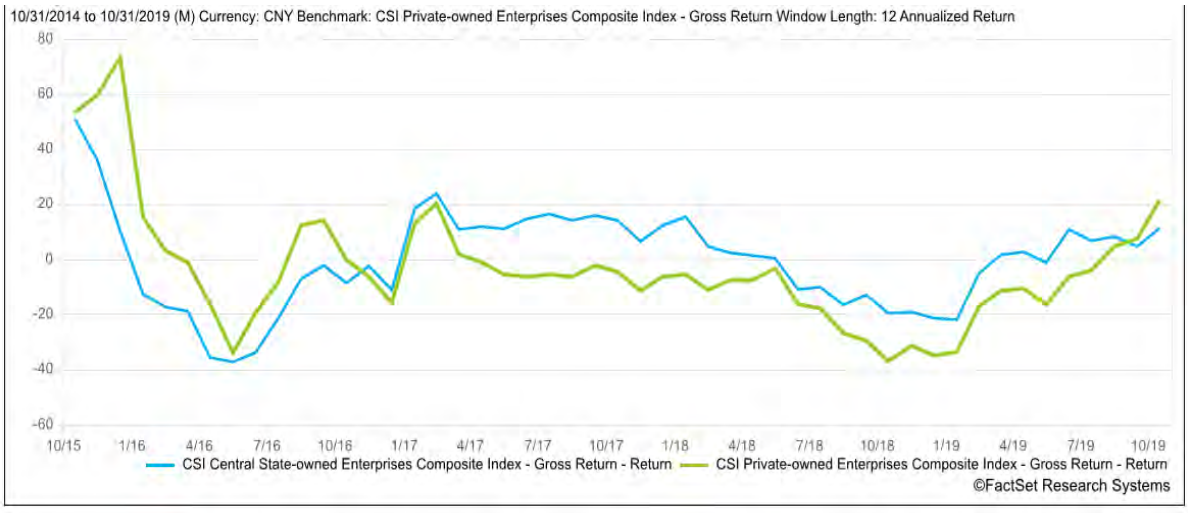
tool for the Chinese government in restructuring the domestic economy. For instance, one important aspect of supply-side structural reform is to reduce overcapacity (i.e., producing more goods than the market needs). The Chinese government can drive mergers between SOEs to serve supply-side structural reform by reducing overcapacity. For example, one aim of the 2016 merger between the Baoshan Iron and Steel Group (Baosteel) and its smaller rival, Wuhan Iron and Steel, was to cut excess steel capacity in China. According to a joint statement by the two companies, they plan to reduce 25% of their total production within three years after the merger (Finance.sina, 2016). The merger successfully served the purpose of reducing overcapacity to enhance supply-side reform. The supply-side reform aims to serve balanced and high-quality economic development. Therefore, it can be argued that, owing to the changes in the economic situation, the role of SOEs has also changed and the liberalisation of SOEs aimed at enhancing their productivity has become less important since the main purpose of the Party has changed to develop a balanced and high-quality economy.

The second reason the liberalisation of SOEs has become less attractive is that the Chinese SOEs are generally profitable and critical to the system's fiscal health in Xi's era; however, in the 1990s, the major SOEs were inefficient and greatly in debt. Before the 1980s, the Chinese SOEs operated under the command economy, and it was the relevant government department rather than the companies that made production decisions. In 1983, the government initiated a "profit into tax" reform, which is that the SOEs paid tax rather than delivering profits to the government, and they were able to hold onto the after-tax profits (Cui, 2015). This tax reform aimed to adjust and regulate the distribution relationship between the state and companies to improve enterprises' enthusiasm for production (Reformdata.org, 2012). In 1997, the then Premier Zhu Rongji launched a large-scale SOE reform whose primary purpose was to alleviate a situation where SOEs were inefficient and loss-making (Scio.gov.cn, 2001). These facts suggest that, at this time, before China entered the WTO, SOEs were not an asset but rather a burden on the government.

However, during the Sino–US trade war of 2018–2020, the situation of SOEs was not as grim as it was in the 1990s. The number of SOEs has been increasing since Xi Jinping came to power in late 2012. According to the director of the Institute of Economics at the Chinese Academy of Social Sciences, Huang Qunhui, the number of SOEs increased from 147,000 to 217,000

between 2012 and 2019, recording a growth rate of 47.6%; the number of central SOEs increased from 48,000 to 62,000 and that of local SOEs increased from 99,000 to 155,000 (Sasac.gov.cn, 2021). These numbers include the central SOEs and their subordinate companies. Apart from the rise in the number of SOEs, the overall profits of SOEs are also growing. For example, according to the director of the State-Owned Assets Supervision and Administration Commission of the State Council (SASAC), Hao Peng, in 2019, the total assets of central SOEs were 201.3 trillion yuan, an increase of 180% since the end of 2012 (Hao, 2020). SOEs listed on the Fortune Global 500 list also increased from 54 in 2012 to 80 in 2019 (ibid). The efficiency of SOEs also improved. In 2019, the operating profit ratio of enterprises under the SASAC system was 5.9%, an increase of 1.6 percentage points since 2012; the labour productivity of all employees in SOEs was 403,000 yuan per employee, an increase of 45.4% over 2012 (Hao, 2020). As shown in the chart below, from 2017 to 2019, SOEs even slightly outperformed private enterprises in annual gross return.

Figure 7.2. Annual Return of SOEs and POEs



(Source: Hissey, 2019, insight.factset.com)

According to Brown (2016), SOEs are crucial for the party-state regime because they are an important source of overall fiscal revenue for the central government. The secretary general of the SASAC, Peng Huagang, stated that, during the 13th Five-Year Plan (2016–2020), SOEs had paid 17.6 trillion yuan in taxes in total, accounting for about a quarter of the total taxes from all types of enterprises during that period (People.com.cn, 2022a). Based on the monthly tax reports of the State Administration of Taxation, Chen (2022) calculated the tax fees of

SOEs, privately owned enterprises (POEs), foreign enterprises and non-governmental enterprises (*minying qiye,* 民营企业), which are enterprises that are neither SOEs nor foreign enterprises. The term "*minying qiye"*, although it could also be translated into POEs, in reality, includes POEs, SOEs run by civilians and cooperatives. In 2020, SOEs paid around 4032.75 billion yuan in taxes, POEs paid around 2913.32 billion yuan, foreign enterprises paid around 2662.56 billion yuan and *minying qiye* paid around 9904.67 billion yuan; the total tax collected amounted to around 16599.97 billion yuan (Chen, 2022). Thus, SOEs (excluding SOEs run by civilians and cooperatives) paid around 24% of the total tax revenue in 2020.

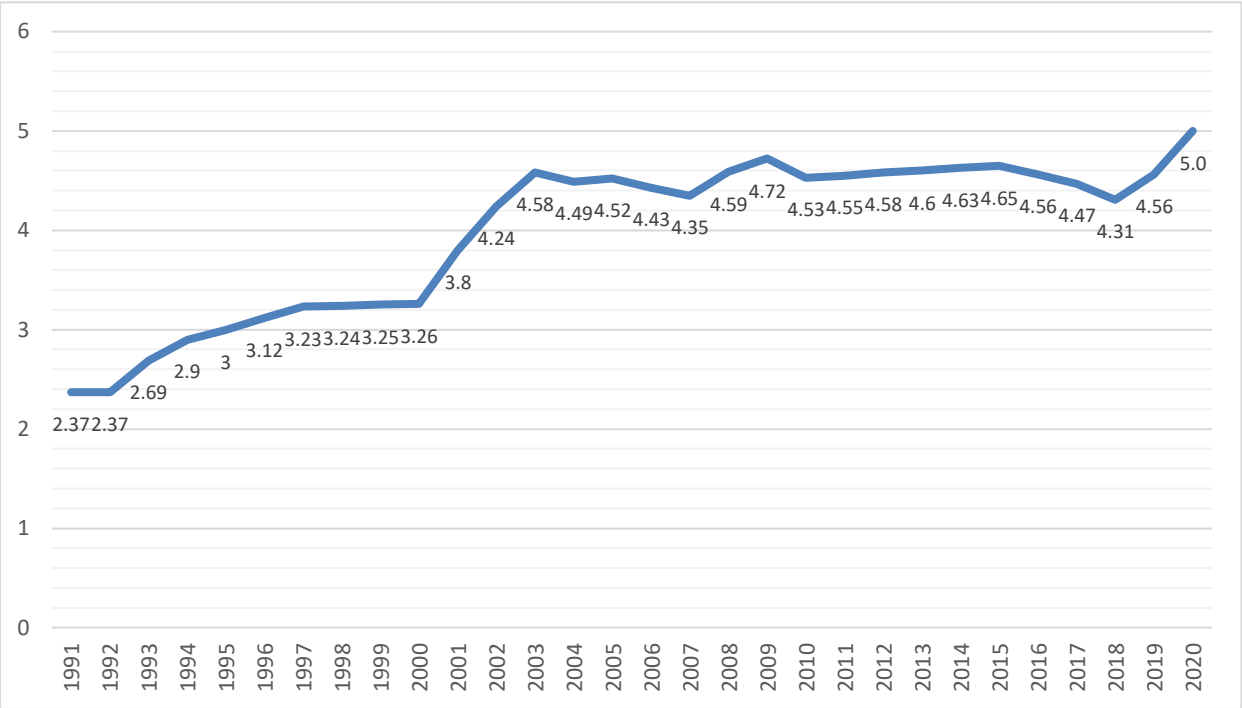
Furthermore, from 2003 to 2019, although the corporate income tax rate of non-SOEs and SOEs was the same, the average effective tax rate (income tax payable/total profit) of listed SOEs was consistently higher than that of non-SOEs by three percentage points (Sasac.gov.cn, 2021). It should be noted that the final tax paid by the enterprises may not be precisely equal to the theoretical corporate income tax: This is why the effective tax rate is more representative of a company's tax burden than the corporate income tax rate. Apart from taxes, SOEs are also required to transfer a portion of their profits to the government. These fees constitute a significant part of both central and local fiscal revenue. For example, according to the Ministry of Finance, non-tax revenue in the national general public budget in 2019 increased by 20.2% compared to 2018, and this increase took place primarily because certain state-owned financial institutions and central SOEs submitted more profits to the government (Mof.gov, 2020). In 2019, the total central state-owned capital revenue (i.e., revenue from state-owned capital financial institutions and companies under central government control) was 164.263 billion yuan, and 38.977 billion yuan of which was turned over to the general public budget (ibid). In the same year, the local state-owned capital revenue from state-owned capital financial institutions and companies under local government control was 244.674 billion yuan, of which 94.319 billion yuan were transferred to the general public budget as well (ibid). During the 13th Five Year period, 76 SOEs owned by the central government transferred 1.2 trillion yuan in total to supplement the national social security fund (People.com.cn, 2022a).

Thus, the financial background to the Sino–US trade war is that, far from being a massive burden, SOEs are one of the most critical sources of government finance revenue and are

profitable overall. Therefore, it is understandable that the liberalisation of SOEs to enhance their productivity was less necessary for the Chinese government before and during the trade war compared to the period between the 1980s and the 1990s.

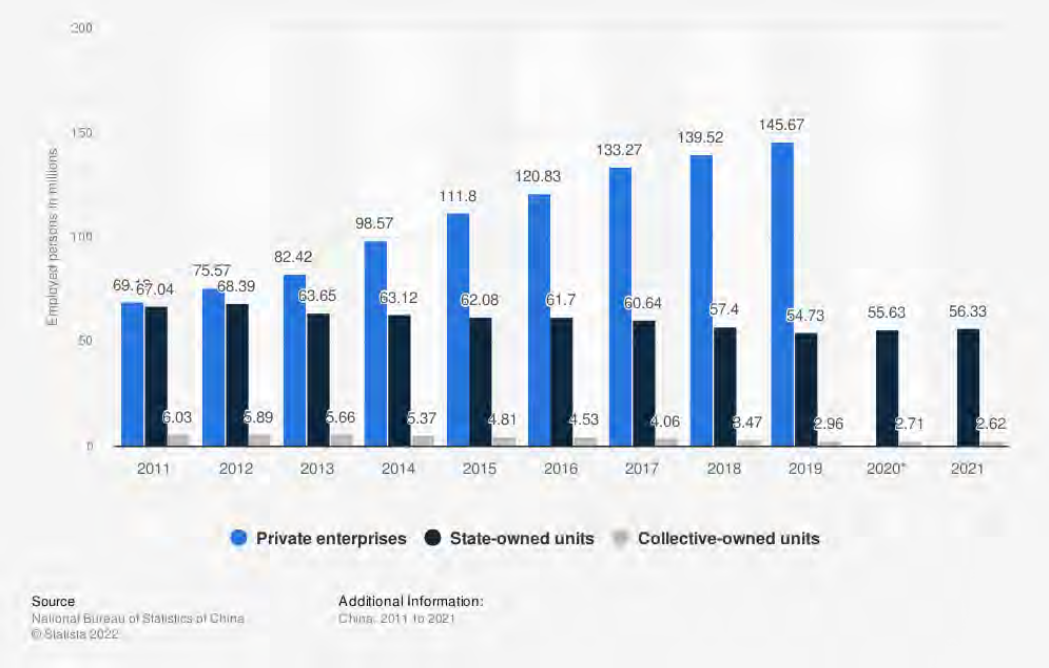
The third reason is that, for the Party and Government, SOEs are essential to stabilise the unemployment rate and, thus, maintain social stability. Figure 7.3 indicates that if an SOE reform was carried out, employees would be laid off during the reform process, which would cause an increase in the unemployment rate. I chose the period of 1991–2020 because the Chinese unemployment data offered by the World Bank can only be traced back to 1991. Phase three SOE reform (1992–2002) is the most radical SOE reform thus far. Figure 7.3 presents an obvious rise period in China's unemployment rate, which is from 1992 to 2003. Moreover, it should be noted that numerous individuals who experienced unemployment as a result of an SOE reform were recorded as still being "employed" in the statistical systems of mainland China, as they maintain their formal affiliation and labour relationship with the SOE unit. However, they did not receive wages and could, thus, actually be regarded as unemployed individuals. It has been reported that between seven million to nine million SOE workers were laid off annually from 1998 to 2000 (Jiemian.com, 2021). Knight and Xue (2006) argued that the urban unemployment rate rose to over 11% during the SOE reform launched by Zhu Rongji in the 1990s. According to the World Bank's data, since 1990, there has been an increase in China's unemployment rate (see Figure 7.3). From 1991 to 2001, the unemployment rate of the total labour force rose from around 2.3% to around 3.8%. Smyth (1999) pointed out that at that time, China's unemployment problem was caused mainly by its SOE reform. Gong, Görg and Maioli (2007) also agreed that the privatisation of Chinese SOEs would negatively affect domestic employment growth.

Figure 7.3 Unemployment, total (% of the total labour force) (modelled ILO estimate) – China (1991–2020)



(Figure made by author, Source: World Bank website, 2023c)

Figure 7.4. Number of employees at state-owned, collective-owned and private enterprises in urban China from 2011 to 2021 (in millions)



(Source: statista.com, 2022)

Whether Chinese SOEs actually enhance or decrease the employment rate is not the focus of this thesis. As shown in Figure 7.4, POEs contribute the most to the total employment rate. This study does not engage with the question of whether SOEs are beneficial to Chinese economic development and employment rate but focuses on the fact that it was the Chinese government's conception that SOEs were beneficial to reduce the unemployment rate that prevented it from supporting SOE reforms.

The idea that SOEs are an employment reservoir, releasing job opportunities into the market when the employment situation is grim, is not a new one. In 2009, the then vice premier of the State Council, Zhang Dejiang, called for SOEs to play a significant role in reducing the unemployment rate (Gov.cn, 2009). In 2020, the SASAC required that, except for enterprises that had been greatly affected by the epidemic, central SOEs (i.e., enterprises under central government control) must ensure that the number of recruited employees in 2020 was not lower than that in 2019 (People.com.cn, 2022b). In 2022, the government urged SOEs to undertake multiple measures to promote the employment of college graduates (Zgxxb.com.cn, 2022). In the analysis of Berkowitz, Ma and Nishioka (2017), Chinese SOEs

tend to hire excess labour, and this labour problem of SOEs is partially caused by the government's requirement for SOEs to hire more people in order to reduce the unemployment rate.

In 2019, when the US and China discussed the SOE issue in the trade negotiations, the Chinese government was particularly worried about China's unemployment rate. Li Wei (2019), the director of the Development Research Centre of the State Council, stated that the employment issue would be complicated and severe. On the one hand, the impact of the Sino–US trade frictions on employment had a certain lag effect, with certain industries prominently affected by the trade war facing a gradual increase in unemployment rate (ibid). On the other hand, POEs, especially small- and medium-sized POEs that had made outstanding contributions to maintaining high employment rates in the past, were now under tremendous pressure, and thus, their contribution to employment might have been significantly weakened throughout the remainder of the year (ibid). Under such conditions where unemployment became too high, social turmoil might emerge and dissatisfaction towards the government would grow (Hakim, 1982). Thus, the high unemployment rate could undermine the CCP's rule. Based on the experience of the earlier SOE reforms in the 1990s, radical SOE reform was likely to lead to a high unemployment rate and social instability. The unemployment rate in 1991 and 1992 was around 2.37%, while, in 2018, it was 4.31%, almost double (see Figure 7.3). Therefore, Chinese society is actually less able to bear the unemployment burdern caused by a massive round of SOE reform than in the 1990s. Moreover, as pointed out by the BBC (2020), in 2020, the unemployment situation in China was worse than the data indicated. For instance, almost 55 million peasant workers were not included in the unemployment calculations (ibid). Therefore, when there was a severe unemployment problem, the government might be reluctant to reform the SOEs, since this could worsen the unemployment problem and threaten the party's rule. SOEs also played a major role in supporting the economy and maintaining employment during the latest COVID19 crisis (International Monetary Fund, 2020). It can, thus, be argued that the US government's requirement for structural SOE reform was difficult for China to agree with at that time, as China's unemployment situation (above 4.3%) was worse than that in the early 1990s (2.37%) (see Figure 7.3).

Fourth, SOEs are the important foundation of China's socialist system and public ownership economy. Therefore, the Chinese government has taken several measures to maintain the dominance of SOEs in the market, including providing various subsidies and setting certain thresholds for non-SOEs through laws or policies (Kwan, 2020). In the 1990s, the SOE reforms were focused on reconstructing major enterprises and leaving minor ones to fend for themselves. These SOE reforms developed a distinct form of state capitalism in which SOEs remained at the heart of its evolving political-economic model, under which the party "retains direct control of strategic sectors, engages in industrial policy, and holds a dominant position in the banking sector and equity market" (Tsai and Naughton, 2015, p. 3). Most small and medium-sized manufacturing enterprises, service enterprises and retail enterprises in China are now POEs. Additionally, after the 1990s' SOE reforms, most of the current SOEs are massive or vital enterprises, which also makes marketisation and privatisation reforms more difficult to achieve.

A principal theoretical justification for the dominant status of SOEs is that they can accomplish objectives that would be impossible to achieve because of market economy failures. According to Xi (2016), "SOEs are an important force for resolutely implementing the decisions and arrangements of the Party". In other words, SOEs must aid in the implementation of critical state policies when the government deems their cooperation necessary. For example, Xi (2016) asked SOEs to play an important role in the OBOR project. SOEs were obliged to fulfil the duties required by the government, although they might be unwilling to do so. According to the 2017 survey made by Li and Zeng (2019), which included 569 firms across various industries in 27 Chinese provinces and municipalities, all the SOEs included held a pessimistic attitude towards the OBOR project. The managers of SOEs and POEs thought it risky to build factories, construct highways and buildings and invest in a poor, unfamiliar, and politically unstable nation (ibid). Moreover, neither SOEs nor POEs agreed that they could benefit from one of the main goals of the OBOR initiative – exporting excess domestic capacity (ibid). Despite such reservations, SOEs still played an active and vital role in the OBOR project. From 2014 to 2017, there were around 50 SOEs that made investments in OBOR countries or participated in about 1700 OBOR projects (Wu, 2017). SOEs such as China Communications Construction Company, China Ocean Shipping Company, China National Gold Group Corporation, China Merchants Group, China Railway Group, and China

Railway Construction Corporation actively participated in numerous OBOR projects (Shepard, 2017). This fact proves that SOEs, although may hold different ideas from the government regarding certain policies, will still make an effort to support those policies. Thus, considering that SOEs represent a convenient and effective tool for the government to pursue its policies, the government would be reluctant to launch any reform that might make it lose control of the SOEs. In fact, Xi (2016) reiterated that it was essential to "maintain the Party's unswerving leadership over SOEs".

Furthermore, retaining the control of SOEs over strategic sectors is important for China's national security. In 2006, the SASAC claimed that the "state-owned economy should maintain absolute control over important industries and key fields related to national security and the lifeline of the national economy. These fields include the military industry, power grid power, petroleum and petrochemicals industry, telecommunication industry, coal industry, civil aviation industry, and shipping industry" (Gov.cn, 2006b). Even the earlier 1990s reforms refused to give up SOEs' control over strategic sectors. This shows that the government's unwillingness to launch liberalisation of SOEs that could sabotage its control over strategic sectors. However, in comparison with the party's firm control over SOEs before the 1990s reforms, its current influence over SOEs has decreased. As highlighted by Leutert and Eaton (2021), monitoring and guiding SOEs with extensive assets, complex organisational structures and numerous international branches has become increasingly challenging for the SASAC. It could be argued that the implementation of a reform that grants SOEs greater autonomy in their management becomes more challenging when the Party and Government pursue a more ambitious diplomatic strategy; this is because SOEs play a significant role in the execution of such a strategy. In contrast, when SOEs are subject to stricter control and their involvement in an ambitious economic foreign policy is less crucial, launching such a reform becomes comparatively easier.

The fifth reason is that the government regards SOEs as a new force for technological innovation. Although some scholars, such as Zhang and Sheng (2014), argued that SOEs had bad performance in technological innovation, others such as Gao (2019) believed that more and more SOEs were approaching the frontier of technological innovation. According to Liu and Shi (2021), central SOEs have 733 state-level research and development platforms of

which 91 are critical national laboratories. China CNR Corporation Limited, as an SOE, is a primary manufacturer of locomotives and rolling stock for the Chinese market, which owns world-class high-speed rail technology (Gao, 2019). Shanghai Zhenhua Heavy Industries Co. Ltd is also an SOE and the world leader in the manufacturing of port equipment (ibid). The State Grid Corporation of China is a global leader in artificial intelligence in energy industry (Rikap, 2022). These are all innovation frontier SOEs. Hou and Mohnen (2013) also showed that competitive Chinese SOEs act as important vessels to build up innovative capabilities across the innovation system over a long period of time.

Moreover, SOEs have invested numerous resources in technological innovation, especially in critical industries. For example, from 2016 to 2019, the spending of central SOEs on research and technology development reached 1.97 trillion yuan, accounting for 26.5% of the nation's research and technology development spending (Liu and Shi, 2021). Furthermore, the government issued a list of strategic emerging industries in 2018, including information technology, high-end equipment manufacturing, new materials, biological, new energy, energy saving and environmental protection, digital creativity, and the service industry relevant to the previous eight sectors (Gov.cn, 2018a). After the release of this list, SOEs invested large sums of money in these industries (Liu and Shi, 2021). In 2019, investment in strategic emerging industries amounted to 950.5 billion yuan, accounting for 20% of the total investment of central SOEs (ibid). Additionally, state-owned financial institutions, such as the Guochuang Investment Guiding Fund, are also actively making investments in strategic sectors, such as aerospace, advanced power grid equipment, clean energy, high-speed rail, new-generation information technology, new energy vehicles, ship-building, and nuclear energy in order to develop strategic industries (Gov.cn, 2017c). Aerospace, nuclear energy and high-speed rail are all strategic high-tech industries.

Therefore, since the Chinese government attaches greater importance to innovations, it values SOEs more. In fact, one critical aim of the Made in China 2025 plan was to improve China's innovative capability (Gov.cn, 2015a). Moreover, Hao Peng stated that, during the 14th Five-Year Plan period, it is necessary to enable the central SOEs to play a leading role in scientific and technological self-reliance and self-development (People.com.cn, 2021). As Hao explained, SOEs should strive to achieve significant scientific and technological breakthroughs

to become a source of original technology, and the government would accelerate the creation of a group of pioneer SOEs in scientific and technological innovation (ibid). Thus, in the current climate, the liberalisation of SOEs is not desirable for the Chinese government because it would undermine the government's control over SOEs and might lead to some enterprises refusing to follow the government's guidance on developing high technology and improving innovative capability.

7.3.2 Balancing the costs and benefits of the reform

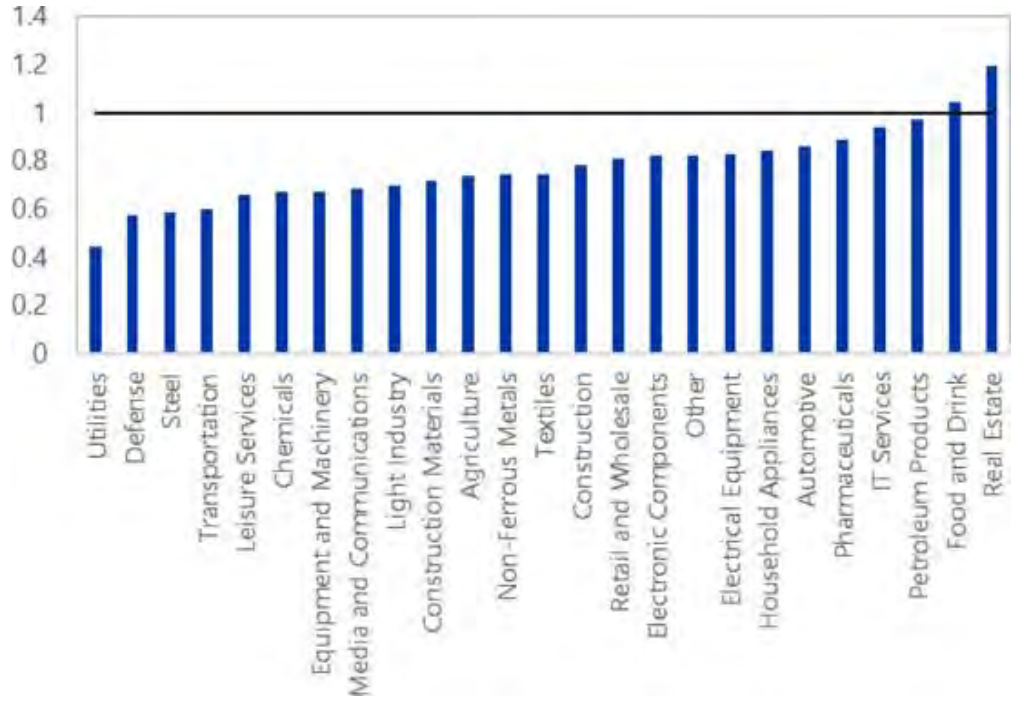
It would be unfair to claim that the Xi administration totally rejects the idea of reforming SOEs. On the contrary, the current administration realises the importance of SOE market reforms and has promised to continue them. In 2013, the party stated that it was necessary to actively and steadily promote marketisation reform in breadth and depth and focus on solving the issues of the flawed market system, excessive government intervention and inadequate supervision. In the "Decision of Communist Party of China's Central Committee on Several Major Issues Concerning Comprehensively Deepening Reforms", the party stated that it would actively develop a diversified ownership economy, push to establish a modern system for SOEs, perfect a mechanism where prices would be determined by the market and reduce the central government's control over market operations to a minimal level (Gov.cn, 2013b). Specific reforms included further opening up the financial industry, improving market-based exchange rate formation mechanisms for the renminbi and proceeding with price reforms in water, oil and natural gas, electricity, transportation and telecommunications (ibid). In 2014, at the Central Economic Working Conference, Xi stated that SOE reforms must insist the separation of government control and enterprise management as well as the division between the government and capital (Gzw.wuhan.gov.cn, 2018). In the same speech, Xi also mentioned the necessity to develop a mixed-ownership economy to boost the efficiency of state-owned capital utilisation and the need to improve the efficiency and competitiveness of SOEs by enhancing companies' corporate governance mechanisms (ibid).

The decision to pursue SOE reforms further indicates the government's recognition of the fact that SOEs are not always positive for the Chinese economy and that they can be deleterious in many aspects. The Party and Government have admitted that Chinese SOEs have problems: some SOEs have not transformed into modern enterprises and completed marketisation, and

the operational efficiency of state-owned capital needs further improvement (Gov.cn, 2015c). It is the presence of SOEs' advantages and disadvantages that has driven the contradicted reforms of SOEs under Xi's administration. There are two main contradictions in the basic principles of the 2015 "Guiding Opinions of the Central Committee of the Communist Party of China and the State Council on Deepening the Reform of State-owned Enterprises." The principle of making SOEs independent market entities conflicts with the principle of adhering to the party's control over SOEs. Moreover, the principle of adhering to the dominant position of public ownership may conflict with the principle of supporting and guiding the development of the non-public economy when the non-public economy triumphs over the public economy.

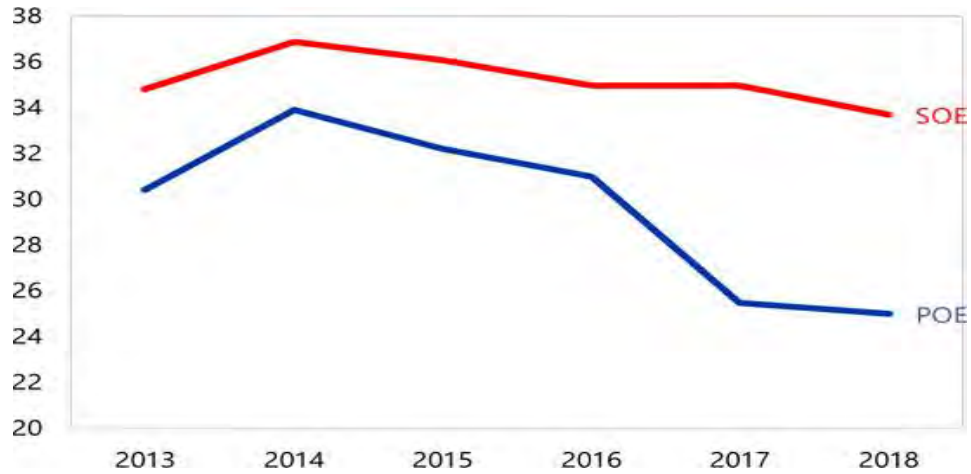
On the one hand, the Party and Government have acknowledged that SOEs have intrinsic flaws, which led to the implementation of marketisation and ownership reforms in the 1980s and 1990s. SOEs are less efficient than POEs. Among all types of ownership enterprises, the productivity of SOEs is the lowest (Wei, Varela, and Kabir, 2002; Chen *et al.*, 2011). Figure 7.5 below presents the productivity gap between SOEs and POEs in 2020. Despite being allocated significant resources and benefiting from different sorts of special treatment, such as preferential loans and exclusive policies, Chinese SOEs, on average, are less productive and in significantly greater debt than their privately owned counterparts (Yu, 2019). Figure 7.6 presents the results of the International Monetary Fund's 2021 study on highly indebted Chinese SOEs and POEs, while Figure 7.7 presents that the leverage ratio of SOEs with low productivity is still higher than that of POEs with high productivity, indicating that credit can be better allocated to firms that are more productive.

Figure 7.5 Chinese SOE/POE productivity gaps by sector in 2020 (Productivity gap, POE=1)



(Title revised by the author, Source: International Monetary Fund, 2021)

Figure 7.6 The percentage of highly indebted SOEs and POEs from 2013 to 2018



(Title revised by the author, Source: International Monetary Fund, 2021)

Figure 7.7 The leverage ratios of SOEs with low productivity and those of POEs with high productivity from 2002 to 2018

(Title revised by the author, Source: International Monetary Fund, 2021)

The three graphs above reflect an obvious resource misallocation between Chinese SOEs and POEs and indicate that the liberalisation of SOEs should enhance productivity. For example, if the financial resources that are currently owned by SOEs were allocated to POEs instead, China's overall productivity could be enhanced. Harrison *et al.* (2019) and Chen *et al.* (2021) both found that SOEs that underwent privatisation witnessed greater improvements in productivity compared to those that did not privatise, although there remains a revenue productivity gap between ex-SOEs and private firms. Therefore, the main disadvantage of Chinese SOEs appears to be that they lack efficiency compared to POEs. The resources enjoyed by SOEs can be used more efficiently if they are allocated to POEs, and thus, SOEs, in fact, depress China's overall productivity. Considering the reforms carried out under the Xi administration, it can be argued that the Party and Government recognise this negative effect, although they refuse to accept the terms suggested by the US for SOE reform.

The Party and Government have chosen not to relinquish SOEs readily and insist on developing them due to their advantages. Xi emphasised the importance of persisting in developing "bigger, better, and stronger" SOEs and maintaining their critical position in national development (Xinhuanet.com, 2016). Xi's appeal to strengthen party control over SOEs emerged in the context of many Chinese SOEs gradually separating themselves from

state control. The 1990s reform legally incorporated SOEs, but the state did not simultaneously establish ownership agencies to govern SOEs on its behalf. In 1998, the Jiang administration dissolved the State Assets Administration Bureau, which was the central-level government organisation that had previously held exclusive responsibility for managing the state-owned assets (Leutert and Eaton, 2021). However, no other agency was established to replace it (ibid). In 2003, the Hu administration created the SASAC under the authority of the State Council. However, with the rapid expansion of SOEs, the SASAC found it increasingly difficult to monitor SOEs with massive assets, complicated manner of organisation and numerous international branches (Leutert and Eaton, 2021). According to Wang, Xia and Tang (2008), the task of the SASAC to manage SOEs that are growing in size and political influence is like a cat attempting to catch a mouse that surpasses it in both size and strength. Towards the end of the Hu administration, the task of ensuring the market competitiveness of SOEs while also ensuring that they remained under the party's leadership became increasingly formidable (Leutert and Eaton, 2021). After assuming the role of Chinese leader in 2013, Xi encountered this predicament characterised by the Party's limited ability to effectively regulate SOEs that had grown tremendously in size and influence. In other words, President Xi sought to increase the state's control over SOEs because the SOEs were gradually escaping the government's control. However, the government's control over SOEs is compelled to weaken as a side effect of market reform and progress towards self-management, as such reforms improve the autonomy and independence of the SOEs. Nevertheless, the Party and Government do not want SOEs to become too self-independent, which led to Xi's demand in the 2015 SOE reforms to strengthen the party's control over SOEs (Gov.cn, 2015c), as they are critical for the Government and the Party. SOEs return a large amount of financial revenue to the government and provide significant job opportunities alongside representing a convenient and effective tool for implementing certain crucial policies. Additionally, the Chinese constitution specifies that public ownership is the mainstay in China, which has always claimed to be a socialist country; therefore, giving up the dominant position of the public economy would damage the regime's legitimacy. Furthermore, the Chinese economic situation is no longer as devastating as it was in the 1990s, when the regime needed to make drastic reforms in order to maintain its rule. These considerations have reduced the motivation of the Party and Government to improve SOEs' productivity.

Xi's reform of SOEs can be summarised as the search for a way to solve a contradiction that is intrinsically impossible to resolve: making SOEs thriving and effective while increasing the party's control over them. If the party increases its control over SOEs, the self-management rights of SOEs will be undermined; consequently, the SOEs will be less effective. Moreover, when SOEs grow more powerful, it becomes more challenging for the government to control them. This explains why Xi's SOE reforms and China's attitude towards SOE reforms are contradictory. Although it appears that there is a great difference between what the Party and Government did in the mid-2010s, when they sought to separate government control and enterprise management and divide government rule and capital operation, and what they did during the Sino–US trade war in 2018–2020 under Xi's administration, the goal remains the same.

The details of the Sino–US trade war negotiations also reveal the self-contradictory attitude of the Chinese towards SOEs. For example, the principle of competitive neutrality. In the Trans-Pacific Partnership negotiation, the US promoted the principle of competitive neutrality to discipline SOEs in transnational economic activities, as the implementation of this principle would require SOEs to operate in adherence to commercial principles and engage in fair competition without receiving any unfair benefits from the government (Fleury and Marcoux, 2016). Xi stated at the 2014 Central Economic Working Conference that he did not find this principle attractive:

> Some people in the West are targeting our SOEs, smearing them, and saying they want "competitive neutrality". In fact, the drinker's heart is not in the cup -- to have ulterior motives. They want to break down the critical material and political foundation of the leadership of the CCP and the socialist regime of our country. We cannot be fooled! We must unswervingly develop bigger, better, and stronger SOEs and constantly enhance the vitality, controlling power, influence and ability to withstand risks of the State-owned economic sector. (Gzw.wuhan.gov.cn, 2018)

In this speech, Xi also mentioned the existing problems in SOEs, such as the fact that some SOEs have not transformed themselves into independent market players, the modern

enterprise system is still not fully established in some SOEs and the operating efficiency of state capital still needs further improvement (ibid). The solutions that Xi proposed in this 2014 speech were to adhere to the separation of government control and enterprise management, division of government rule and capital operation, strengthening and improvement of the corporate governance mechanism and development of a mixed-ownership economy. This statement reflects Xi's self-contradictory views towards SOEs.

Although the principle of "competitive neutrality" is mentioned in the Sino–US trade negotiations (Reuters, 2020c), this term did not feature in the final Phase One trade agreement. However, the spirit of the principle is imbibed in the text of the agreement. For example, the chapter on financial services in the agreement contains the following clause: "Each Party requests that the other Party ensure fair, effective, and non-discriminatory participation in its market for services and services suppliers of the other Party" (Ustr, 2020). The expression "fair, effective, and non-discriminatory market access" mirrors the definition of competitive neutrality, which posits that companies should compete fairly and without undue advantages from the governments that own them. This demonstrates that even when China held an unfavourable view of the competitive neutrality principle and believed that the West was using it to attack SOEs, it still made concessions as long as it thought that the concession was necessary and beneficial. For example, when China realised that opening up the financial services sector would help improve the efficiency of SOEs, they were willing to agree to provide fair and equitable market access to American financial service providers.

Moreover, in 2017, before the commencement of the trade war, the State Council issued a "Notice on Expanding Opening up and Actively Utilising Foreign Investment", which sought to deepen the reform of the financial service industry by implementing such measures as making the registered capital system fair and non-discriminatory towards foreign-invested and domestic enterprises (Ndrc.gov.cn, 2017). Furthermore, the notice also mentioned the need to ensure consistency in the implementation of policies and regulations in domestic and foreign countries and prohibited the unauthorised imposition of additional restrictions on foreign-invested enterprises in order to promote equal treatment and fair competition between domestic and foreign-invested enterprises (ibid). For instance, both foreign and domestic enterprises are equally subject to the policy measures of the "Made in China 2025"

strategy (ibid). Before the trade war, China was already willing to reform its economy and create an environment of fair competition for foreign financial service companies to develop its economy. The end of the notice mentions “promoting reform and development through opening up” (Ndrc.gov.cn, 2017). Thus, it was possible that in the view of the State Council, the US’s pressure on the finance service industry reform appeared to be similar to the WTO’s pressure, which functioned by offering external incentives for China to reform. Furthermore, even after the trade war began, there was an article titled “Correctly view the further opening up of the financial industry” in the policy explanation section of the Chinese government’s official website, which was published on 2 April, 2018 (Gov.cn, 2018b). The article criticised the idea that opening up the financial services market would inevitably increase the occurrence of financial crises and weaken the system’s stability (ibid). The article also emphasised how opening up the financial service market could help improve the efficiency and competitiveness of the Chinese financial sector (ibid).

Additionally, although President Xi himself has expressed doubts regarding the principle of competitive neutrality, considering that Liu He, Xi’s trusted ally, was the person-in-charge in the trade war issue, these provisions embodying the spirit of competitive neutrality are presumably acceptable for Xi. Even considering the potential power struggle between Xi Jinping and Li Keqiang, since the State Council supported the decision to open up the financial services market and ensure equal and fair treatment for domestic and foreign enterprises in the market, it can be argued that the acceptance of the terms associated with the financial service industry, which include the spirit of competitive neutrality, constituted a unanimous decision among Chinese leaders. Therefore, it can be claimed that China refused to make concessions on SOEs during the trade war because such reforms could undermine the regime’s security but accepted these non-discriminatory provisions since they could promote economic development without posing a threat to political security.

7.4 Conclusion

This chapter briefly reviews the history of China’s SOE reforms, comparing the nature of reform and the willingness to carry them out, at two periods, around the time of China’s entry into the WTO and during the Sino–US trade war. This chapter argues that although China’s

policy seems self-contradictory in agreeing to make concessions about its entry into the WTO but refusing to do so in the Sino–US trade war negotiations, both of these represent rational choices considering the situation of the Chinese economy at each period.

The Chinese government had been trying to rejoin the global trade system since the early 1980s – first the GATT and then its successor the WTO. China not only launched many reforms to satisfy the requirements of the WTO but also promised to continue the economic reforms after joining, which it did in 2001. As SOEs represent one of the core entities in the planned economy, these economic reforms that aim to transfer China's planned economy to a market economy were inevitably involved with SOE reform. The Chinese government agreed with the WTO's requirements for economic liberalisation, including SOE reform, largely because China's economic situation was not good at that time, and the party believed that economic development was its lifeline and that issues that could undermine economic development were threats to its survival. Hence, liberalisation of SOEs was regarded as essential to China's economic reform and development, and the choice of rejecting such reforms was not available for China in the first stage of foreign policy decision making, regardless of whether the WTO forced China to reform its SOEs.

However, the Chinese economic situation around the time of the Sino–US trade war differed considerably from that of China's entry into the WTO, and the changes in situations led to resistance towards marketisation, ownership and management reforms of SOEs. The reasons why liberalisation of SOEs was less attractive in the second period are as follows:

(1) The general economic situation had changed and the principal contradiction within the country was no longer that between the demand of the people for rapid economic and cultural development and the existing state of Chinese economy and culture, which fell short of fulfilling the needs of the people, but rather between unbalanced and inadequate development and the people's ever-growing needs for a better life. For this reason, improving the production efficiency of SOEs is no longer the overriding requirement, and supply-side structural reform has become a more urgent task.

(2) SOEs have become an important source of taxation rather than an enormous expenditure of financial capital.

(3) During the trade war, China faced severe employment pressure and the SOEs functioned as a reservoir for employment.

(4) SOEs enable the state to control the lifeline of economic activities and can aid in the implementation of vital national policies.

(5) The Chinese government attached greater importance to developing China's innovation capability and believed that SOEs could promote innovation.

The negotiation process during the Sino–US trade war also reflected China's ambivalent attitude towards terms relating to SOE reform. On the one hand, China wished to improve the efficiency of SOEs through reform; on the other hand, it feared that, after undergoing marketisation and management reforms, SOEs would no longer obey government direction. This would weaken the critical material and political foundations of the CCP leadership and China's socialist system. From 1980 to 2000, concerns about the efficiency of SOEs triumphed over considerations of state control over SOEs, and China's willingness to reform SOEs to improve their efficiency enabled China to agree to the relevant SOE terms in negotiations about its entry into the WTO. However, before and during the Sino–US trade war between 2018–2020, the fear that SOEs were gradually getting out of control of the party outweighed concerns over SOE efficiency. At the same time, SOEs were profitable and made important contributions to financial revenues and policy implementation. Thus, it can be concluded that China's consideration for the domestic economy explains why, during the WTO negotiations, China chose to implement SOE marketisation and management reforms; in contrast, during the Sino–US trade war, China chose instead to strengthen the party's leadership over SOEs and rejected the further reform of SOEs suggested by the US. Therefore, evidently, when the reform for the liberalisation of SOE is perceived by the CCP as a threat to its survival, it is no longer an available option. Meanwhile, certain SOE reforms that would not undermine the regime and be beneficial to the economy would be supported and carried out by the government. In other words, the Chinese government has consistently attempted to actively maximise their gains and minimise their losses in the case of SOEs. Although their decisions have differed in different situations, the overall principle of achieving outcomes that are aligned with the Party's objectives is consistent and coherent.

It can be argued that China's foreign policy regarding SOEs aligns with Mintz's poliheuristic theory. If the reform of SOEs is perceived to undermine the stability of the one-party rule, China would be reluctant to prioritise SOE reform, even if such reforms can promote economic development. On the other hand, if the Chinese government believes that the SOE reform poses no harm to the regime and can contribute to maintaining regime stability by improving economic development, it would be willing to accept such a reform. During the WTO entry negotiations, China viewed the liberalisation of SOEs as a way to promote economic development and safeguard regime stability. Although there were internal objections, the party ultimately reached a consensus to accept the reform of SOEs as a requirement for China to join the WTO. In contrast, China's shift in its foreign policy towards SOEs during the trade war reflects a change in its national interests. According to the poliheuristic theory, in the first stage of decision making, decisionmakers prioritise their political survival, and in the second stage, they engage in a rational assessment of costs and benefits. In other words, party security and regime stability are of utmost importance in the first stage. The main challenge faced by the Party, at least in its own view, has shifted from addressing the primary contradiction of insufficiency in productivity to satisfy the people's demands to pursuing high-quality economic development that reduces economic inequality. The redefinition of economic development interests also aims to safeguard regime security. In this context, accepting the US demand to further the reform of SOEs becomes an irrational option. This is because the party believes that although further reform of SOEs could contribute to economic development, it could also weaken regime security. Before and during the Sino–US trade war, SOEs have been a significant source of tax revenue and employment and have always served as the foundation of China's predominantly state-owned economic system. As SOEs gradually deviated from the party's control, the party expressed its concern that there was a need to strengthen its control over SOEs. Taking these factors into consideration, unless the economic development benefits resulting from SOE reform can outweigh the potential harm to regime security, such as the social instability brought about by rising unemployment and the loss of control over SOEs, the party may view such reforms as unfavourable to its political security. Moreover, the increased productivity resulting from further SOE reform is no longer the type of economic development sought by the party. Conversely, strengthening control over SOEs to enhance China's innovative capabilities serves the new economic development interest of high-quality economic growth. However, this does

not mean that purely economic development is unimportant or that the party completely rejects reforms aimed at improving SOE efficiency. In fact, the SOE reforms since 2013 can be described as aiming to simultaneously enhance SOE efficiency while strengthening the party's power over them. Nevertheless, as mentioned earlier, this is inherently contradictory, as improving SOE efficiency inevitably requires granting them more autonomy, which can undermine the party's control and weaken its power. Given the party's concerns about regime security during Xi's administration (as discussed in Chapter 4), it is challenging for the party to perceive a loss of power as beneficial to its political security. Consequently, it is rational for China to reject the SOE liberalisation terms in the Sino–US trade war negotiations. Nonetheless, during the trade war, China was willing to accept some provisions that could enhance SOE efficiency, such as those reflecting the principle of competitive neutrality in opening up the financial services market. This also aligns with the rational choice theory model: conducting a cost–benefit assessment based on the premise of not jeopardising political security and adopting favourable policies.

Additionally, although the fear that SOEs might get out of the party's control surpasses the pure economic consideration of SOEs' efficiency in the trade war negotiations, it does not mean that Chinese concerns over SOEs are not economic considerations. In fact, the major reason the Chinese government is worried about SOEs getting out of control is that SOEs are the key material and political foundation for the leadership of the CCP and the regime system. In other words, the political influence of SOEs is rooted in their economic importance. The fear of losing control over SOEs is essentially the same as the fear of losing control over the economy. Therefore, although the consideration of the political influence of the reform of SOEs played a certain role in the trade war negotiations, this does not mean that the concern over SOEs is not an economic consideration.

The SOE case also illustrates how China's new perception of its economic interests affected its shift in diplomatic strategy: The party has redefined its economic interests and reconsidered the relationship between economic development and regime security in consideration of its own security, and consequently, China has changed its foreign policy in accordance with the interests of regime security and economic development. In the decision making process, the regime's security interests play a more crucial role.

Chapter 8 Conclusion

This study investigated the changes in China's foreign policy since 2013 from a state-level perspective to contribute to research on foreign policy change from a domestic perspective. Through qualitative analysis of the new Chinese diplomatic policies and the transformation of existing Chinese foreign policies after 2013, the study argued that the most influential domestic factors explaining China's decision to change its strategic foreign policy were the regime (Chinese Communist Party, CCP) security interests, its territorial and sovereign security interests, and its economic development interests. Moreover, the research results demonstrated that, among these three factors, the Chinese leadership attached the greatest importance to the Party's political security. Additionally, the study argued that the increased significance of safeguarding the core national interests of territorial and sovereign security stemmed from the Party's growing reliance on nationalism to preserve its political security and enhance its legitimacy. The new interpretation of economic development interests was also a response to the economic challenges facing the one-ruling Party regime's stability.

This research considered four research questions (RQ) to investigate China's foreign policy changes between 2013 and 2020 from a domestic perspective. They are as follows:

(1) Has there been a change in China's foreign policy since 2013? If it has, what are the significant domestic factors that have contributed to this change?

(2) How does the consideration of regime stability influence China's decision to launch the One Belt and One Road (OBOR) initiative?

(3) How has nationalism affected China's diplomatic policy in the South China Sea (SCS)?

(4) How have economic development interests influenced China's foreign policy regarding its State-owned Enterprises (SOEs)?

The first research question is used to directly address the main research objective of this thesis, while the other three questions are sub-questions connected to RQ1. Based on the research conducted, this thesis argued that: Firstly, there has been a goal change in China's foreign policy since 2013, which falls under the category of strategic change, and China's core

national interests have influenced the shift from the *taoguang yanghui* (韬光养晦, "hiding our capacities and biding our time") strategy to the *fenfa youwei* (奋发有为, "striving for achievement") strategy. The case study of the OBOR evidenced two aspects of the impact of regime stability on the 2013 change in Chinese foreign policy. On the one hand, the domestic motivations behind launching the initiative stemmed from internal issues that threatened regime security. The main domestic drivers justifying this initiative included stabilising Xinjiang via economic development and addressing the overcapacity problem in the manufacturing industry. On the other hand, compared to other competing options, OBOR demonstrated clear advantages in terms of safeguarding regime security, such as the potential for developing impoverished provinces in western China, particularly Xinjiang; being beneficial to the overseas expansion of Chinese SOEs; satisfying Chinese nationalist sentiments by enhancing China's international status; and improving China's energy security. Thirdly, China's changed mainstream/pragmatic nationalism since 2008 has deeply influenced China's perception of the SCS dispute and its national interests in this issue. China has shifted from thinking that setting aside territorial disputes and pursuing joint development were beneficial to its national interests to regarding itself as a victim in the SCS territorial disputes because it overemphasised its economic development interests. China is inclined to interpret the SCS dispute as characterised by neighbouring countries and great powers (such as the Philippines and the US) seeking to exploit China's previous proposal of setting aside disputes and pursuing joint development. In other words, it believes that its genuine intentions towards promoting peaceful development and coexistence in the SCS are not reciprocated. Fourthly, in the entrance negotiation with the World Trade Organisation (WTO), China accepted SOE marketisation reforms because the Party and Government believed that such reforms were beneficial to the regime; however, in the trade war, China refused the SOE reform terms because the Party and Government believed that such reforms were harmful to the regime. Nonetheless, the government did accept terms that, in its view, would not threaten the regime and would improve China's economic development. China's changed perception of its economic development interest, specifically the perception of the relationship between economic development interests and regime security, contributed to this change in China's SOE foreign policy. Therefore, the thesis argued that the change in China's foreign policy was a result of changes in the Party's perception of national interests.

The evidence that supports the fact that China's foreign policy has undergone a strategic shift is not only the shift in China's foreign policy objectives – from serving solely economic development during the Hu Jintao era to achieving the "two centenary goals" and the great rejuvenation of the Chinese nation – but also China's many practices. Examples of these policies are the change in the usage of the concept of the "great rejuvenation of the Chinese nation," China's proposal to establish a new type of international relations, its reluctance to compromise on territorial interests for the sake of economic development in interactions with neighbouring countries, its more active participation in UN peacekeeping operations, and its gradual deviation from its non-alliance principle through its more proactive pursuit of building partnerships with other countries (partnership is not the alliance relationship but a closer relationship than the non-alliance relationship with other states). Furthermore, although some foreign policies were becoming more assertive during the Hu Jintao era, these changes were mostly program changes (changes made in the methods or means through which goals are addressed). Even the relatively assertive behaviours in the SCS during the Hu's era were mainly driven by China's perception that the previous peaceful resolution methods had failed rather than due to the change in the goals of the SCS foreign policy. Moreover, it was only after 2013 that China began designating the SCS as a core interest. Thus, this thesis argued that China's foreign policy has shifted since the beginning of 2013.

The stability of the regime plays the most crucial role in this foreign policy transformation. On the one hand, rapid economic development is the main source of legitimacy for the regime, but rapid economic development was unsustainable in the 2010s. As a result, China not only redefined its economic development interests but also chose to cater more to nationalism to gain greater support for its regime. Furthermore, it sought the major country status and international recognition of its governance model to enhance Chinese public support and gain legitimacy for the Party's only ruling party status. Furthermore, to obtain greater support for the regime through nationalism, it sought to prioritise territorial interests over economic development interests. Consequently, China adopted a more assertive stance in territorial disputes. Additionally, the redefinition of new economic development interests has led China to actively subsidise its high-tech industries, which has concerned the US. The US perceived China's subsidies as distorting the market and posing a threat to its industries. In other words,

the new economic development interests have made it difficult for China to maintain a positive relationship with the US, which was an important aspect of the *taoguang yanghui* strategy.

Moreover, China's territorial and economic development interests have changed to protect the regime's stability and security because the regime relies on economic development and the support derived from nationalism to gain legitimacy. The significance of territorial and sovereignty interests has risen due to nationalism, and economic development interests have been redefined. Therefore, it can be argued that the regime's security is the most important domestic factor in this transformation of national core interests, and nationalism and the government's concerns over its economic situation also play significant roles in this process. Furthermore, to better understand the change in China's foreign policy since 2013, this study decided to analyse the influences of the security of the regime, nationalism, and new economic development interests on China's foreign policy change using different case studies. It analysed how the regime stability factor affected the development of the OBOR, how nationalism influenced China's diplomatic policy shift in the SCS, and how the leadership's new comprehension of economic development interests impacted China's foreign policy changes regarding SOEs.

OBOR is a significant component of China's more ambitious foreign policy. The discussions of the OBOR and the initial stages of its implementation phase aligned with Mintz's two-stage decision making model. This thesis argued that the political security of the Party was crucial in the decision making process of OBOR. Xi Jinping considers domestic and international security issues as interconnected, believing that internal security is closely intertwined with external security. In other words, OBOR is a product of the worldview that domestic security and external security are closely related and intertwined. When OBOR was proposed, it was neither a product of a purely economic diplomacy focused on international political and economic aspects nor of a purely economic governance strategy solely concerned with domestic economic affairs. It is necessary to consider OBOR's international background and domestic context when analysing it. The formation of OBOR is a process that continuously

brings together different ideas under the concept of OBOR. The initial idea for this initiative came from the Ministry of Commerce, which intended to address domestic overcapacity problems that could lead to an economic crisis and threaten the regime's stability. Its subsequent development integrated the existing strategy of the Western Development Plan and the idea proposed by some Chinese scholars (such as Wang Jisi) to shift China's strategic focus westward in response to the US's strategic pivot to the Asia-Pacific. These ideas collectively contributed to the formation of the OBOR proposal.

Furthermore, the members of the Central Leading Small Group on Advancing the Development of the OBOR implied that the focus of this initiative lies in the economic development and stability of border regions, particularly Xinjiang. The leading small group consists of five individuals, two of whom have a background in Xinjiang's economic development and ethnic stability, with one of them serving as the group's leader. Among the remaining three members, Wang Huning is primarily responsible for theory construction, Wang Yang specialises in economic and trade affairs, and Yang Jiechi specialises in international relations.

The legitimacy of the Chinese government depended on its political performance, and when the government's performance was unsatisfactory, the public's dissatisfaction could reduce the legitimacy of the regime, threatening the political survival of the Party. In this manner, the Xinjiang independent movement posed a potential threat to the regime's survival. The Party needs to demonstrate its ability to maintain a sustained, unified, and secure country. The failure to continuously improve the population's living standards through economic growth could also undermine the Party's power. Although the era of rapid growth has ended, stable and positive GDP growth is still necessary. The main motivation behind OBOR was China's effort to address economic and security challenges that threatened its political security. Furthermore, OBOR became the strategy that the government allocated the most resources compared to other economic diplomatic strategies was because of its contributions to regime security. Before the publication of Wang Jisi's article promoting the westward expansion strategy in October 2012, China's thoughts on countering the Trans-Pacific

Partnership primarily focused on promoting its own free-trade agreements, especially the Regional Comprehensive Economic Partnership (RCEP) and the China-Japan-South Korea free trade agreement (FTA). The OBOR has four advantages compared to the RCEP and the trilateral China-Japan-South Korea FTA: developing impoverished provinces in western China, particularly Xinjiang; being more conducive to the development of Chinese SOEs; enhancing China's international status and satisfying Chinese nationalist sentiments; and improving China's energy security. Thus, the thesis argued that the OBOR had major advantages in terms of regime stability over the other two options. Furthermore, China has greater control over OBOR compared to the RCEP, which is led by ASEAN, and the China-Japan-South Korea FTA, which has faced challenges due to political conflicts among the three countries. Therefore, in the second stage of the decision making process, as the best choice among these three options, OBOR obtained more resources from the government than the other two.

China's nationalism could be categorised into three main types: pragmatic nationalism, liberal nationalism, and popular nationalism. Among these, pragmatic nationalism, which the Party endorsed, can be considered the mainstream nationalism in China. It was the primary form of nationalism taught in patriotic education, which most Chinese received from a young age. It also has been extensively promoted by the Party. Since 2008, pragmatic nationalism has started to merge with popular nationalism, and this change was characterised by the rise of victim and anti-great power narratives, along with a decline in the narrative of pro-foreign countries. The SCS case is representative of how the new form of nationalism has influenced China's foreign policy and made it more assertive.

Not only do the old nationalist narratives (pragmatic nationalism) share similarities with the old SCS narratives of the 2000s, but the new nationalist narratives are also similar to the new SCS narratives. This thesis argued that the change in the narrative of the SCS territorial dispute issue was influenced by the new Chinese nationalist narrative. From the 1970s, China described its stance on the SCS issue as sacrificing its sovereignty interests for regional peace and joint economic development. According to the thematic analysis of *People's Daily* reports on the SCS issue, no "anti-great power" narrative existed between 2007 and 2009. From 2010

to 2014, the proportion of this narrative increased, along with the rise of the victim narrative. The percentage of pro-foreign country narratives declined between 2007 and 2014. Moreover, the Chinese government's latest description of the SCS issue closely resembled the views of popular nationalists on the SCS territorial disputes around 2008. Popular nationalists portrayed the SCS issues as neighbouring countries such as Vietnam manipulated the international situations, which was anti China's rise (the US sought to balance China's rise), and took advantage of China's self-restraint in setting aside territorial disputes. The new official Chinese SCS narrative portrayed the SCS issue as that of a great power (the US) seeking to maintain China's rise, and several small countries (the Philippines and Vietnam) using this chance to enhance their control over the SCS at the costs of harming China's territorial interests. This narrative portrays China as striving for a peaceful resolution of the SCS dispute and having its goodwill exploited by other countries. Additionally, due to the change in mainstream nationalism, protecting sovereignty and territorial interests has become more important. Simultaneously, as ruling elites gradually accepted the new nationalism, the idea of making concessions on territorial interests for peaceful development became less popular. Being influenced by the new SCS narrative, China abandoned its previous diplomatic policy of "setting aside disputes and pursuing joint development" in the SCS and adopted a more assertive and proactive stance to safeguard its sovereignty interests in the SCS disputes.

Finally, there has been a consensus among Chinese leaders since Deng Xiaoping that economic development can contribute to political stability. Although Chinese leaders argued over whether economic liberalisation and market reforms might threaten political security, the overall consensus was that the Reform and Opening up should continue. Deng Xiaoping successfully convinced Party members who were worried about the liberalisation of SOEs by arguing that the economic development brought by liberalisation reform could contribute to, rather than threaten, political stability. As a result, China accepted the WTO's SOE liberalisation requirements when negotiating to enter the WTO.

The Party since the 2010s has become more worried about its political security, and in the 1990s it was also nervous about the regime security. However, the Party and Government did

not accept the clause on the SOE reform in the trade war negotiations, even though SOE reforms have proven to be beneficial for China's economic development, and this development was an important source of legitimacy for the Party. The main reason for this change was the shift in the perception that mere economic development can bring about political stability. China believed that high-quality economic development, rather than merely economic development, could contribute to political stability. This shift has led to a transformation in the idea of how SOEs could contribute to China's economic development: as a political tool, SOEs could contribute to the development of China's high-tech industry; as the economic foundation of the system, they could contribute to the regime's stability. Moreover, before and during the trade war, SOEs were no longer seen as a financial burden that affected political stability but rather as a significant source of tax revenue that aided in maintaining political stability and providing employment opportunities. Thus, in the first stage of decision making procedure, the SOE reform option was discarded. The terms on the financial service industry in the Phase One Economic and Trade Agreement also reflected China's contradictory attitude toward the SOEs. On the one hand, China aimed to improve the efficiency of SOEs through reforms. On the other hand, China was concerned that further liberalisation reform of the SOEs might undermine the material and political foundation of the CCP leadership and the socialist political system in China. When the Party perceived the liberalisation of SOEs as a threat to its survival, the reform was no longer a viable option. However, if certain SOE reforms did not disrupt the political regime but could be beneficial to high-quality economic development, the government could pursue and support that kind of reform. Therefore, China rejected clauses on the reform of SOEs in trade negotiations but was willing to accept some clauses that could improve the efficiency of SOEs, such as those embodying the principle of competitive neutrality when opening up the financial services market.

While the current academic analysis of China's foreign policy changes mainly relies on international-level theories, this study adopted the domestic-level perspective to analyse China's foreign policy changes. However, the domestic-level analysis encompasses many factors that can impact foreign policy. Thus, a limitation of this study is the inability to discuss all domestic factors that influenced China's foreign policy change, such as Xi's personal

influence and intra-party politics. Furthermore, international factors have also impacted China's foreign policy change, such as China's increasing power and the reactions from other countries (such as the US). Nevertheless, this study did not discuss the influence of international factors as well. Additionally, this study also does not claim that China's three core interests were the only domestic factors influencing China's foreign policy change since 2012/2013. However, it argues that these three core interests are the most crucial domestic factors influencing this change. Although there are alternative explanations, such as the effect of intra-party politics on this change, evidence suggests that Xi Jinping's rise and his concentration of power resulted from Party consensus. He not only gained support from the Tuanpai but also received support from the Shanghai Gang. Therefore, while leadership change might influence China's increasing assertiveness, exaggerating the impact of leadership change underestimates the consensus among CCP officials and overestimates the role of individual leaders.

Furthermore, the case study approach is predominantly used in analysing how these three core interests influence China's foreign policy changes. Nevertheless, certain research results regarding specific cases may not be generalisable. For instance, the mechanism explaining how changes in the content of nationalism influenced the SCS policies might not be applicable to understanding how changes in the content of Chinese nationalism influenced the decision making process behind OBOR. However, this example does not mean the research results of the SCS case study are only applicable to the SCS issue. The mechanism explaining how changes in the content of nationalism influenced SCS policies could have broader applicability to China's foreign policy regarding territorial disputes, such as China's foreign policy in the East China Sea. However, further research is needed to determine the applicability of the mechanisms explaining changes in the SCS policy to the East China Sea sovereignty dispute. Moreover, more investigation on the potential causal relationship between changes in nationalist discourse and foreign policy change is needed.

Additionally, to better comprehend one of the results of this study, namely China's increasing reliance on nationalism to enhance its regime legitimacy, future research could explore why

the Party did not choose other options, such as steadfastly promoting economic reforms to accelerate economic development, but instead turned towards a greater reliance on nationalism. Moreover, this research suggests that studies conduct further investigation into the causal relationship between changes in nationalist discourse and foreign policy change. In addition, future research could attempt to examine China's foreign policy change by integrating both international factors and this study's findings. This examination could also involve discussing how international and domestic factors interact and how the mutual interaction influences China's foreign policy changes.

In addition, this thesis has both theoretical and practical value. A relative lack of theoretical research exists on the field of analysing China's foreign policy change since 2012/2013 from a domestic perspective. Furthermore, among the investigations on the effect of domestic factors on China's foreign policy change, few adopt poliheuristic or narrative theory. This thesis employs poliheuristic theory to investigate the OBOR initiative and China's SOE foreign policy change and narrative theory to investigate China's SCS foreign policy change. It argues that applying poliheuristic theory to analyse the OBOR and China's SOE policy change demonstrates the theory's potential for broad applicability. This research demonstrates that poliheuristic theory, despite its origins in the US, could be one of the most suitable FPA theories for explaining China's foreign policy decisions. Furthermore, given the limited use of FPA theoretical frameworks in analysing China's foreign policy changes from a domestic political survival perspective, this thesis's theoretical analysis of China's foreign policy changes also contributes to filling this gap. This research sheds light on how political security and other domestic factors influence these changes as well. It argues that the Party's considerations for political survival significantly impact changes in the perceptions and importance of China's core national interests and Chinese foreign policy decisions. This study also uses narrative theory to explain the influence of nationalism on China's foreign policy, showing that the change in mainstream Chinese nationalism occurred because the government decided to embrace popular nationalist ideas due to a desire to protect domestic political security. Thus, this thesis contributes to constructivist research on China's foreign policy change and scholarship seeking to bridge nationalism and foreign policies. Furthermore, it can contribute to the FPA research on China's foreign policy change as this study uses

poliheuristic theory to make investigations. Considering that more FPA research on foreign policy change is needed (Alden and Aaron, 2017), by employing FPA theory, this thesis can contribute to this area of foreign policy change as well.

The research can also aid in bridging the gap between rationalism and reflectivism. It supports the analytic eclecticism approach and suggests choosing the most appropriate theory for different cases rather than seeking theoretical integration when the fundamental philosophical differences among different approaches remain unresolved. This study advocates flexibly selecting theories based on the specific aspects of the issue and needs of research after investigation, just like the physicists and mathematicians who select different theorems and formulas for different problems.

The other potential contribution of this thesis is that it indicates that in reality, the survival goal of a state may not perform as a constant, as structural realism assumes. It argues that the state, although created by its people, develops its own survival needs and other interests as an organisation that enjoys certain degrees of autonomy. It is problematic to assume that a state only faces security challenges from the external environment as well. In reality, the survival goal can be a changeable factor in international interactions; perceptions of how to achieve survival, as well as how much the goal of survival has satisfied or achieved, is not constant. Thus, this study might contribute to the IR studies.

Moreover, using poliheuristic theory and narrative theory in combination enables this research to identify certain results that could be beneficial for the further understanding of Chinese foreign policy. The study challenges the prevailing assumption that the political survival goal of the Party is a constant factor, claiming that it is changeable in reality and thus contributes to the understanding of China's policy shifts. It also states that China's foreign policy has undergone a strategic change since 2013 and thus contributes to the debate over whether China's foreign policy has changed since 2013. It challenges the idea that China follows a grand plan with the purpose of preserving the regime's security and national

rejuvenation and that in essence, its foreign policy does not thus change. This thesis claims that while some aspects of China's foreign policy between 2009 and 2013 can be rationalised into a planned grand strategy, this perspective misses the exploratory, evolutionary, and adaptive nature of Chinese foreign policies. China's situation more closely resembled standing at a crossroads than a one-directional road between 2009 and 2013. Additionally, the investigation of the influence of Chinese nationalism on its foreign policy change with narrative theory indicates that the reconstruction of the mainstream Chinese nationalist narrative is an issue that deserves more attention from scholars studying Chinese foreign policy and decision makers who make policies that are relevant to China, as this could be a sign of a significant change in China's foreign policy strategy.

References

Abb, P. (2015) 'China's Foreign Policy Think Tanks: institutional evolution and changing roles', *Journal of Contemporary China*, 24(93), pp. 531–553. Available at: https://doi.org/10.1080/10670564.2014.953856.

Adler, E. (1991) 'Seasons of peace: Progress in postwar international security', in E. Adler and B. Crawford (eds) *Progress in Postwar International Relations*. New York: Columbia University Press, pp. 128–173.

Alden, C. and Aran, A. (2017) *Foreign policy analysis: New approaches.* 2nd edn. New York: Routledge. Available at: https://doi.org/10.4324/9781315442488.

Alden, C. and Large, D. (2015) 'On becoming a norms maker: Chinese foreign policy, norms evolution and the challenges of security in Africa', *China Quarterly,* 221, pp. 123–142. Available at: https://doi.org/10.1017/S0305741015000028.

Ali, I. (2018) 'U.S. flies bombers over South China Sea amid heightened tensions with Beijing', *Reuters*, 26 September. Available at: https://www.reuters.com/article/us-usa-china-military/u-s-flies-bombers-over-south-china-sea-amid-heightened-tensions-with-beijing-idUSKCN1M62KF (Accessed: 21 January 2021).

Allison, G. (1971) *Essence of Decision: Explaining the Cuban Missile Crisis*. New York: Longman. Available at: https://doi.org/10.2307/1861452.

Apabi.com (2020) '*China Digital Library*'. Beijing: Apabi Technology Co., Ltd. Available at: http://www.apabi.com.ezproxy.is.ed.ac.uk/edinburgh (Accessed: 05 December 2020).

Ardanaz, M., Murillo, M.V. and Pinto, P.M. (2013) 'Sensitivity to Issue Framing on Trade Policy Preferences: Evidence from a Survey Experiment', *International Organization,* 67(2), pp. 411–437. Available at: https://doi.org/10.1017/S0020818313000076.

Arksey, H. and Knight, P. (1999) 'Why Interviews?', in H. Arksey and P. Knight (eds) *Interviewing for Social Scientists*. London: SAGE Publications, pp. 32–42.

Art, R. J. (2013) *A Grand Strategy for America*. Ithaca: Cornell University Press. doi: 10.7591/9780801468445.

Asean.org. (2013). '*ASEAN Framework for Regional Comprehensive Economic Partnership'*. 21 June Available at: https://web.archive.org/web/20130621031416/http://www.asean.org/news/item/asean-framework-for-regional-comprehensive-economic-partnership (Accessed: 25 November 2021).

ASEAN-China Center. (2013) '*Speech by Chinese President Xi Jinping to Indonesian Parliament'*. 3 October. Available at: http://www.asean-china-center.org/english/2013-10/03/c_133062675.htm (Accessed: 12 November 2021).

Asian Development Bank. (2009) *Infrastructure for a Seamless Asia*. Manila.

Bailey, K. (1978) *Methods of Social Research*. New York: The Free Press.

Bajona, C. and Chu, T. (2010) 'Reforming State Owned Enterprises in China: Effects of WTO Accession', *Review of Economic Dynamics*, 13(4), pp. 800–823.

Balding, C. (2019) 'What's Causing China's Economic Slowdown and How Beijing Will Respond', *Foreign Affairs*. 11 March. Available at: https://www.foreignaffairs.com/articles/china/2019-03-11/whats-causing-chinas-economic-slowdown (Accessed: 16 September 2021).

Barboza, D. (2010) 'China Passes Japan to Become No. 2 Economy', *The New York Times*, 15 August. Available at: https://www.nytimes.com/2010/08/16/business/global/16yuan.html (Accessed: 3 October 2021).

Barkin, S. (2003) 'Realist Constructivism', *International Studies Review*, 5(3), pp. 325–342. Available at: https://doi.org/10.1017/CBO9780511750410.

Barnett, A.D. (1985) *The Making of Foreign Policy in China*. London: Routledge. Available at: https://doi.org/10.4324/9780429312458.

Barnett, M. (1999) 'Culture, strategy and foreign policy change: Israel's road to Oslo', *European Journal of International Relations*, 5(1), pp. 5–36. Available at: https://doi.org/10.1177/1354066199005001001.

Baum, M. and Potter, P. (2015) *War and Democratic Constraint: How the Public Influences Foreign Policy*, Princeton: Princeton University Press.

BBC. (2011) *Vietnam accuses China in seas dispute,* 30 May. Available at: https://www.bbc.co.uk/news/world-asia-pacific-13592508 (Accessed: 13 January 2021).

BBC. (2013a) *xi jin ping cu zhong gong jing ti su gong dao tai jiao xun | 习近平促中共警惕苏共倒台教训 | Xi Jinping urges the CCP to be alert to lessons learned from the collapse of the Soviet Union,* 16 February. Available at: https://www.bbc.com/zhongwen/simp/china/2013/02/130216_china_xi_warning (Accessed: 12 August 2021).

BBC. (2013b) *China establishes 'air-defence zone' over East China Sea,* 23 November. Available at: https://www.bbc.co.uk/news/world-asia-25062525 (Accessed: 11 August 2021).

BBC. (2013c) *Bo Xilai found guilty of corruption by Chinese court,* 22 September. Available at: https://www.bbc.co.uk/news/world-asia-china-24170726 (Accessed: 19 November 2022).

BBC. (2014) *China moves Vietnam row oil rig,* 16 July. Available at: https://www.bbc.co.uk/news/world-asia-28322355 (Accessed: 23 December 2020).

BBC. (2018) *China hits back after US imposes tariffs worth $34bn,* 6 July. Available at: https://www.bbc.co.uk/news/business-44707253 (Accessed: 26 September 2022).

BBC. (2020). *美国上周失业数据意外回升至100万 中国数据不足以反映就业压力| Meiguo Shangzhou Shiyelv Shuju Yiwai Shengzhi 100 Wan, Zhongguo Shuju Wufa*

Buzuyi Fanying Jiuye Yali| US unemployment data unexpectedly rose to 1 million last week, China's data cannot fully reflect employment pressure. 24 August. Available at: https://www.bbc.com/zhongwen/simp/business-53861385 (Accessed: 16 February 2023).

BBC. (2021) *China's Xi declares victory in ending extreme poverty*, 25 February. Available at: https://www.bbc.co.uk/news/world-asia-china-56194622 (Accessed: 1 November 2022).

Beach, D. (2018) 'Process Tracing Methods', in *Oxford Bibliographies in International Relations*. Oxford University Press. Available at: https://doi.org/10.1093/obo/9780199743292-0227.

Beasley, R. K., Kaarbo, J., Hermann, C. F., and Hermann, M. G. (2001) 'People and Processes in Foreign Policymaking: Insights from Comparative Case Studies', *International Studies Review*, 3(2), pp. 217–250.

Becker, H.S. (1967) 'Whose Side Are We On?', *Social Problems*, 14(3), pp. 239–247. Available at: https://doi.org/10.2307/799147.

Bengtsson, M. (2016) 'How to plan and perform a qualitative study using content analysis', *NursingPlus Open*, 2, pp. 8–14. doi: https://doi.org/10.1016/j.npls.2016.01.001.

Bennett, A. and Elman, C. (2007) 'Case Study Methods in the International Relations Subfield', *Comparative Political Studies*, 40(2), pp. 170–195. Available at: https://doi.org/10.1177/0010414006296346.

Berenskoetter, F. (2014) 'Parameters of a national biography', *European Journal of International Relations*, 20(1), pp. 262–288. Available at: https://doi.org/10.1177/1354066112445290.

Berg, B. (2008) 'Qualitative Research in Social Sciences', in L. Given (ed.) *The SAGE Encyclopedia of Qualitative Research Methods*. Thousand Oaks: SAGE Publications, Inc., pp. 827–831. Available at: https://doi.org/10.4135/9781412963909.

Berkowitz, D., Ma, H. and Nishioka, S. (2017) 'Recasting the Iron Rice Bowl: The Reform of China's State-Owned Enterprises', *The Review of Economics and Statistics*, 99(4), pp. 735–747. Available at: https://doi.org/10.1162/REST_a_00637.

Bhattacharya, A. (2007) 'Chinese Nationalism and China's Assertive Foreign Policy', *The Journal of East Asian Affairs*, 21(1), pp. 235–262.

Billig, M. (2010) *Banal Nationalism*. London: SAGE Publications Ltd. Available at: https://doi.org/10.4135/9781446221648.

Billings, R.S. and Hermann, C.F. (1998) 'Problem Identification in Sequential Policy Decision Making: The Re-representation of Problems', in D.A. Sylvan and J.F. Voss (eds) *Problem Representation in Foreign Policy Decision-Making*. Cambridge: Cambridge University Press, pp. 53–79. Available at: https://doi.org/10.1017/9780511625718.004.

Blanchard, J.M.F. (2016) 'Probing China's Twenty-First-Century Maritime Silk Road Initiative (MSRI): An Examination of MSRI Narratives', *Geopolitics*, 22(2), pp. 246–268. Available at: https://doi.org/10.1080/14650045.2016.1267147.

Blanchard, J.-M.F. and Flint, C. (2017) 'The Geopolitics of China's Maritime Silk Road Initiative', *Geopolitics*, 22(2), pp. 223–245. Available at: https://doi.org/10.1080/14650045.2017.1291503.

Blavoukos, S. and Bourantonis, D. (2017) 'Foreign Policy Change', *The Oxford Encyclopedia of Foreign Policy Analysis* [Preprint]. Available at: https://oxfordre.com/politics/view/10.1093/acrefore/9780190228637.001.0001/acrefore-9780190228637-e-424 (Accessed: 17 March 2020).

Blumenthal, D. (2020) 'China's Steps Backward Began Under Hu Jintao', *Foreign Policy*. 4 June. Available at: https://foreignpolicy.com/2020/06/04/china-xi-jingping-hu-jintao-aggression-ideology/ (Accessed: 22 November 2021).

Blyth, M. (2003) 'Structures Do Not Come with an Instruction Sheet: Interests, Ideas, and Progress in Political Science', *Perspectives on Politics*, 1(4), pp. 695–706. Available at: https://doi.org/10.1017/S1537592703000471.

Bowen, G.A. (2009) 'Document analysis as a qualitative research method', *Qualitative Research Journal*, 9(2), pp. 27–40. Available at: https://doi.org/10.3316/QRJ0902027.

Brandt, L. and Rawski, T.G. (2008) *China's great economic transformation*. Cambridge: Cambridge University Press.

Breslin, S. (2013) 'China and the global order: Signalling threat or friendship?', *International Affairs*, 89(3), pp. 615–634. Available at: https://doi.org/10.1111/1468-2346.12036.

Breslin, S. and Pan, Z. (2021) 'Introduction: A Xi change in policy?', *British Journal of Politics and International Relations*, 23(2), pp. 197–209. Available at: https://doi.org/10.1177/1369148121992499.

Breuning, M. (2017) 'Role Theory in Foreign Policy', in *Oxford Research Encyclopedia of Politics*. Oxford: Oxford University Press. doi: 10.1093/acrefore/9780190228637.013.334.

Brittingham, M.A. (2007) 'The "Role" of Nationalism in Chinese Foreign Policy: A Reactive Model of Nationalism & Conflict', *Journal of Chinese Political Science*, 12(2), pp. 147–166. Available at: https://doi.org/10.1007/s11366-007-9005-3.

Brown, K. (2016) *CEO, China, the Rise of Xi Jinping*. London: I.B.Tauris & Co. Ltd.

Brown, K. (2017) 'The Powers of Xi Jinping', *Asian Affairs*, 48(1), pp. 17–26. Available at: https://doi.org/10.1080/03068374.2016.1267435.

Brummer, K. (2013) 'The Reluctant Peacekeeper: Governmental Politics and Germany's Participation in EUFOR RD Congo', *Foreign Policy Analysis*, 9(1), pp. 1–20. Available at: https://doi.org/10.1111/j.1743-8594.2011.00174.x.

Brummer, K. and Hudson, V. M. (2017) 'The Boundedness of Foreign Policy Analysis Theory?', *Global Society*, 31(2), pp. 157–166. doi: 10.1080/13600826.2016.1266996.

Bryman, A. (2016) *Social Research Methods*. 5th edn. Oxford: Oxford University Press.

Buckley, C. (2010) 'Analysis: China price for stability raises alarm', *Reuters*, 14 October. Available at: https://www.reuters.com/article/us-china-politics-stability-idUSTRE69D12T20101014 (Accessed: 11 August 2021).

Buckley, C. and Jones, T.Y. (2012) 'East Asian powers set to push trade pact talks', *Reuters*, 13 May. Available at: https://www.reuters.com/article/us-china-summit-idUSBRE84C00V20120513 (Accessed: 20 March 2022).

Bull, H. (1966) 'International theory: The case for a classical approach', *World Politics*, 18(3), pp. 361–377. Available at: https://doi.org/10.2307/2009761.

Burchill, S. (2005) *The national interest in international relations theory.* New York: Palgrave Macmillan.

Buzan, B. (2010) 'China in international society: Is "peaceful rise" possible?', *Chinese Journal of International Politics*, 3(1), pp. 5–36. Available at: https://doi.org/10.1093/cjip/pop014.

Buzan, B. (2014) 'The logic and contradictions of "peaceful rise/development" as China's grand strategy', *Chinese Journal of International Politics*, 7(4), pp. 381–420. Available at: https://doi.org/10.1093/cjip/pou032.

Cabestan, J.-P. (2005) 'The Many Facets of Chinese Nationalism', *China Perspectives*, 59, pp. 26–40. Available at: https://doi.org/10.4000/chinaperspectives.2793.

Cabestan, J.P. (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), pp. 113–131. Available at: https://doi.org/10.1007/s12140-017-9271-4.

Cabestan, J.-P. (2021) 'China's foreign and security policy institutions and decision-making under Xi Jinping', *The British Journal of Politics and International Relations*, 23(2), pp. 319–336. Available at: https://doi.org/10.1177/1369148120974881.

Campbell, D. (1998) *Writing Security: United States Foreign Policy and the Politics of Identity*. Manchester: Manchester University Press. Available at: https://doi.org/10.2307/2621611. Campbell, K.M. and Ratner, E. (2018) 'The China reckoning: How Beijing defied American expectations', *Foreign Affairs*, 97(2), pp. 60–70.

Canes-Wrone, B., Howell, W.G. and Lewis, D.E. (2008) 'Toward a broader understanding of presidential power: A reevaluation of the two presidencies Thesis', *Journal of Politics*, 70(1), pp. 1–16. Available at: https://doi.org/10.1017/S0022381607080061.

Carlson, A. (2009) 'A flawed perspective: The limitations inherent within the study of Chinese nationalism', *Nations and Nationalism*, 15(1), pp. 20–35. Available at: https://doi.org/10.1111/j.1469-8129.2009.00376.x.

Carlson, A. and Duan, H. (2010) 'Internet Resources and the Study of Chinese Foreign Relations', in A. Carlson et al. (eds) *Contemporary Chinese Politics: New Sources, Methods, and Field Strategies*. Cambridge: Cambridge University Press, pp. 88–106.

Carlson, A., Gallagher, M. and Manion, M. (2010) 'Introduction', in A. Carlson et al. (eds) *Contemporary Chinese Politics: New Sources, Methods, and Field Strategies*. Cambridge: Cambridge University Press, pp. 1–12.

Carter, C.A. and Steinbach, S. (2013) 'China's Growing Role in Agricultural Trade', *ARE Update*, 17(1), pp. 9–11.

Carter, E.B. (2019) 'Diversionary Aggression in Chinese Foreign Policy', *Brookings*.22 January. Available at: https://www.brookings.edu/articles/diversionary-aggression-in-chinese-foreign-policy/ (Accessed: 21 September 2021).

Cfr.org. (2023). *China's Approach to Global Governance.* Available at: https://www.cfr.org/china-global-governance/ (Accessed: 17 April 2023).

Chan, M. (2015) 'China hits the launch button for massive PLA shake-up to create a modern, nimble force', *South China Morning Post*, 25 November. Available at: https://www.scmp.com/news/china/diplomacy-defence/article/1883071/china-hits-launch-button-massive-pla-shake (Accessed: 13 August 2021).

Chan, M. and Zhen, L. (2018) 'Chinese navy stages double show of strength as US strike group drills in disputed South China Sea', *South China Morning Post*, 12 April. Available at: https://www.scmp.com/news/china/diplomacy-defence/article/2141322/chinese-navy-stages-double-show-strength-us-strike (Accessed: 9 January 2021).

Checkel, J.T. (2004) 'Social constructivisms in global and European politics: a review essay', *Review of International Studies*, 30(2), pp. 229–244. Available at: https://doi.org/10.1017/S0260210504006023.

Checkel, J.T. (2008) 'Process Tracing', in A. Klotz and D. Prakash (eds) *Qualitative Methods in International Relations: A Pluralist Guide*. London: Palgrave Macmillan Limited, pp. 114–127.

Chellaney, B. (2017) *China's Debt-Trap Diplomacy*. 23 January. Available at: https://www.project-syndicate.org/commentary/china-one-belt-one-road-loans-debt-by-brahma-chellaney-2017-01 (Accessed: 12 February 2022).

Chen, C.-K. (2021) 'China in Latin America Then and Now: A Systemic Constructivist Analysis of China's Foreign Policy', *Journal of Current Chinese Affairs*, 50(2), pp. 111–136. Available at: https://doi.org/10.1177/18681026211034880.

Chen, D. and Kinzelbach, K. (2015) 'Democracy promotion and China: blocker or bystander?', *Democratization*, 22(3), pp. 400–418. Available at: https://doi.org/10.1080/13510347.2014.999322.

Chen, F. (1999) 'An unfinished battle in China: The leftist criticism of the reform and the third thought emancipation', *China Quarterly*, (158), pp. 447–467. Available at: https://doi.org/10.1017/s0305741000005853.

Chen, G., Firth, M. and Xu, L. (2009) 'Does the type of ownership control matter? Evidence from China's listed companies', *Journal of Banking and Finance*, 33(1), pp. 171–181. Available at: https://doi.org/10.1016/j.jbankfin.2007.12.023.

Chen, J. (1995) 'The impact of reform on the party and ideology in China', *Journal of Contemporary China*, 4(9), pp. 22–34. Available at: https://doi.org/10.1080/10670569508724221.

Chen, J. (2013) *A middle class without democracy: Economic growth and the prospects for democratization in China*. Oxford: Oxford University Press.

Chen, J. (2019) *From Mao to Deng: China's changing relations with the United States*. Wilson Center CWIHP Working Paper 92. Available at: https://www.wilsoncenter.org/publication/mao-to-deng-chinas-changing-relations-the-united-states (Accessed: 2 January 2023).

Chen, J. and Dickson, B.J. (2008) 'Allies of the State: Democratic Support and Regime Support among China's Private Entrepreneurs*', *The China Quarterly*, 196(196), pp. 780–804. Available at: https://doi.org/10.1017/S0305741008001124.

Chen, S. (2002) 'Economic Reform and Social Change in China: Past, Present, and Future of the Economic State', *International Journal of Politics, Culture, and Society*, 15(4), pp. 569–589. Available at: https://doi.org/10.1023/A:1015319920054.

Chen, S., Sun, Z., Tang, S., and Wu, D. (2011) 'Government intervention and investment efficiency: Evidence from China', *Journal of Corporate Finance*, 17(2), pp. 259–271. Available at: https://doi.org/10.1016/j.jcorpfin.2010.08.004.

Chen, S., Duckworth, K. and Chaiken, S. (1999) 'Motivated Heuristic and Systematic Processing', *Psychological Inquiry*, 10(1), pp. 44–49. Available at: https://doi.org/10.1207/s15327965pli1001_6.

Chen, X. (2010) 'State-Generated Data and Contentious Politics in China', in A. Carlson et al. (eds) *Contemporary Chinese Politics: New Sources, Methods, and Field Strategies*. Cambridge: Cambridge University Press, pp. 15–32.

Chen, Y. (2012) 'Jiang ze min "zou chu qu" zhan lue de xing cheng ji ji zhong yao yi yi 江泽民"走出去"战略的形成及其重要意义|The Formation of Jiang Zemin's "Go Out" Strategy and its Significance', *Dswxyjy.org.cn*, 12 July. Available at: https://www.dswxyjy.org.cn/n1/2019/0228/c425426-30909751.html (Accessed: 13 December 2023).

Chen, Y. (2021) 'zhong guo jia ru WTO 20nian: 'ru shi' ru he gai bian zhong guo yu shi jie |中国加入WTO 20年：“入世”如何改变中国与世界| 20 Years after China's Accession to WTO: How 'WTO Entry' Changes China and the World', *BBC News*, 11 November. Available at: https://www.bbc.com/zhongwen/simp/business-59239732 (Accessed: 12 October 2022).

Chen, Y. (2022) 'guo you、min ying、wai zi jing ji fa zhan shi nian bian ju |国有、民营、外资经济发展十年变局| CHanges on the development of state-owned, private-owned, and foreign-owned economies in ten years', *Caijing.com*, 11 April. Available

at: https://news.caijingmobile.com/article/detail/457405?source_id=43 (Accessed: 28 November 2022).

Chen, Y., Igami, M., Sawada, M., and Xiao, M. (2021) 'Privatization and productivity in China', *The RAND Journal of Economics*, 52(4), pp. 884–916. Available at: https://doi.org/10.1111/1756-2171.12395.

Cheng, S.W. (2015) 'Overcapacity a time bomb for China's economy', *South China Morning Post*, 28 September. Available at: https://www.scmp.com/comment/insight-opinion/article/1862024/overcapacity-time-bomb-chinas-economy (Accessed: 15 September 2022).

China.com.cn (2010) *guo xin ban jiu xi bu da kai fa shi shi ji shen ru tui jin deng xiang guan qing kuang ju xing fa bu hui |国新办就西部大开发实施及深入推进等相关情况举行发布会| The Information Office of the State Council held a briefing on the implementation and further promotion of the Western Development and other related information*. 8 July. Available at: http://www.china.com.cn/zhibo/2010-07/08/content_20433562.htm?show=t (Accessed: 12 April 2022).

China.huanqiu.com (2011) *Experts Intensive Debate about Taoguang Yanghui: Peaceful Rise Does Not Exclude Military Counter-Aggression*, Available at: https://china.huanqiu.com/article/9CaKrnJtxuC (Accessed: 22 November 2021).

China.org.cn (2002) *Full Text of Jiang Zemin's Report at the 16th Party Congress*, 17 November. Available at: http://www.china.org.cn/english/2002/Nov/49107.htm (Accessed: 13 December 2023).

China.org.cn (2013a) *President Xi Jinping Delivers Important Speech and Proposes to Build a Silk Road Economic Belt with Central Asian Countries*. Available at: http://www.china.org.cn/node_7064105/content_30468580.htm (Accessed: 13 May 2022).

China.org.cn (2013b) *Building China into a Maritime Power*. 30 August Available at: http://www.china.org.cn/report/2013-08/30/content_29871583.htm (Accessed: 15 April 2021).

China.org.cn (2013c) *Yang Jing杨晶|*. Available at: http://www.china.org.cn/china/leadership/2013-03/16/content_28193096.htm (Accessed: 8 February 2022).

China.org.cn (2014) *Xi's 'new normal' theory*. Available at: http://www.china.org.cn/world/2014-11/10/content_34012582.htm (Accessed: 26 August 2022).

China.org.cn (2015) *zong ti guo jia an quan guan |总体国家安全观|A holistic view of national security*. 7 September. Available at: http://keywords.china.org.cn/2015-09/07/content_36521463.html (Accessed: 2 September 2022).

China.org.cn (2016) *zhong guo zheng fu guan yu zai nan hai de ling tu zhu quan he hai yang quan yi de sheng ming |中国政府关于在南海的领土主权和海洋权益的声明|*

Statement of the Government of the People's Republic of China on China's Territorial Sovereignty and Maritime Rights and Interests in the South China Sea. 13 July. Available at: http://www.china.org.cn/chinese/catl/2016-07/13/content_39837834.htm (Accessed: 11 July 2021).

Chinadaily.com (2014) *President Xi addresses the Conference on Interaction and Confidence Building Measures in Asia summit*, 21 May. Available at: http://www.chinadaily.com.cn/world/2014-05/21/content_17529363_2.htm (Accessed: 11 August 2021).

Chinadaily.com (2015) *Backgrounder: China-Pakistan Economic Corridor*, 22 April. Available at: https://www.chinadaily.com.cn/world/2015xivisitpse/2015-04/22/content_20503693.htm (Accessed: 11 December 2023).

Chinaeconomic.cn (2010) *xi bu da kai fa gong zuo hui yi ju xing hu jin tao 、wen jia bao fa biao zhong yao jiang hua |西部大开发工作会议举行 胡锦涛温家宝发表重要讲话| Hu Jintao and Wen Jiabao deliver important speeches at the Western Development Work Conference*. 6 July Available at: http://www.ce.cn/xwzx/gnsz/szyw/201007/06/t20100706_21586584_1.shtml (Accessed: 21 October 2021).

Chinagate.cn (2010) *xi bu 12 sheng qu yi ba shou jiu xin yi lun xi bu da kai fa biao tai |西部12省区一把手就新一轮西部大开发表态| Top leaders of 12 provinces in the west expressed their views on the new round of western development*. 12 July Available at: http://cn.chinagate.cn/economics/2010-07/12/content_20476565_12.htm (Accessed: 10 December 2021).

Chinagate.cn (2015) *xi jiang wei wu er zi zhi qu ren min zheng fu 2015 nian zheng fu gong zuo bao gao |新疆维吾尔自治区人民政府2015年政府工作报告| The 2015 Government Work Report of the Xinjiang Uygur Autonomous Region*. 11 February. Available at: http://cn.chinagate.cn/reports/2015-02/11/content_34797551_13.htm (Accessed: 16 November 2021).

Chinareform.org.cn (2020) *peng sen hui gu gai ge kai fang 40 nian (1978-2018) de jing yan yu zong jie |彭森回顾改革开放40年（1978~2018）的经验与总结| Peng Sen reviewed the experience and summary of the 40 years of Reform and opening up (1978~2018)*. 30 December. Available at: http://www.chinareform.org.cn/2020/1230/34611.shtml (Accessed: 19 October 2022).

Christensen, T.J. (2011) 'The advantages of an assertive China: Responding to Beijing's abrasive diplomacy', *Foreign Affairs*, 90(2), pp. 54–67.

Chubb, A. (2014) *Exploring China's 'Maritime Consciousness': Public Opinion on the South and East China Sea Disputes*. Perth: Perth USAsia Centre.

Chubb, A. (2019) 'Assessing public opinion's influence on foreign policy: the case of China's assertive maritime behavior', *Asian Security*, 15(2), pp. 159–179. Available at: https://doi.org/10.1080/14799855.2018.1437723.

Ciorciari, J.D. and Weiss, J.C. (2016) 'Nationalist Protests, Government Responses, and the Risk of Escalation in Interstate Disputes', *Security Studies*, 25(3), pp. 546–583. Available at: https://doi.org/10.1080/09636412.2016.1195633.

Clarke, M. (2016) '"One Belt, One Road" and China's emerging Afghanistan dilemma', *Australian Journal of International Affairs*, 70(5), pp. 563–579. Available at: https://doi.org/10.1080/10357718.2016.1183585.

Clover, C. and Hornby, L. (2015) 'China's Great Game: Road to a new empire', *Ft.com*, 12 October. Available at: https://www.ft.com/content/6e098274-587a-11e5-a28b-50226830d644 (Accessed: 15 April 2022).

Cnbc.com (2017) 'Trump in Beijing talks US-China trade deficit', *CNBC News*, 9 November. Available at: https://www.cnbc.com/2017/11/08/trump-i-give-china-great-credit-for-taking-advantage-of-the-us-in-the-past.html (Accessed: 03 October 2022).

CNN-News18 (2022) 'Here's Why China-Pak Decision to Involve Third Parties in CPEC through POK Has Angered India', *CNN-News18*, 27 July. Available at: https://www.news18.com/news/india/heres-why-china-pak-decision-to-involve-third-parties-in-cpec-through-pok-has-angered-india-5634019.html (Accessed: 11 October 2022).

Congressional Research Service. (2022) *China's "One Belt, One Road" Initiative: Economic Issues*. Washington. Available at: https://crsreports.congress.gov/product/pdf/IF/IF11735 (Accessed: 08 January 2023).

Cooley, A. (2015) 'New Silk Route or Classic Developmental Cul-de-Sac? The Prospects and Challenges of China's OBOR Initiative', *Ponars Euarasia*. 29 July Available at: http://www.ponarseurasia.org/memo/new-silk-route-or-classic-developmental-cul-de-sac(Accessed: 23 February 2022).

Cpc.people.com.cn (2013) *Xi Jinping zai zhou bian wai jiao gong zuo zuo tan hui shang fa biao zhong yao jiang hua qiang diao: wei wo guo fa zhan zheng qu liang hao zhou bian huan jing | 习近平在周边外交工作座谈会上发表重要讲话强调：为我国发展争取良好周边环境 | Xi Jinping delivered an important speech at the Peripheral Diplomacy Work Conference, emphasising striving for a good surrounding environment for the development of China*, 26 October. Available at: http://cpc.people.com.cn/n/2013/1026/c64094-23333683.html (Accessed: 15 October 2020).

Cpc.people.com.cn (2014a) *xi jin ping zhu chi zheng zhi ju hui yi yan jiu jin yi bu tui jin xin jiang she hui wen ding he chang zhi jiu an gong zuo | 习近平主持政治局会议 研究进一步推进新疆社会稳定和长治久安工作|Xi Jinping chairs Politburo meeting on studying how to promote social stability and long-term stability in Xinjiang further*, 26 May. Available at: http://cpc.people.com.cn/n/2014/0526/c64094-25067153.html (Accessed: 03 November 2021).

Cpc.people.com.cn. (2014b). *xi jinping: ji ji tui dong wo guo neng yuan sheng chan he xiao fei ge ming|习近平：积极推动我国能源生产和消费革命|Xi Jinping: Actively Promote our country's Energy Production and Consumption Revolution*. 14 June. Available at: http://cpc.people.com.cn/n/2014/0614/c64094-25147885.html (Accessed: 21 April 2022).

Crawford, B. (1991) 'Toward a Theory of Progress in International Relations', in E. Adler and B. Crawford (eds) *Progress in Postwar International Relations*. New York: Columbia University Press, pp. 438–468.

Cronin, A. and Cronin, P. (1996) 'The Realistic Engagement of China', *The Washington Quarterly*, 19(1), pp. 141–169.

Cui, W. (2015) 'Taxation of State-Owned Enterprises A Review of Empirical Evidence from China', in B.L. Liebman and C.J. Milhaupt (eds) *Regulating the Visible Hand? The Institutional Implications of Chinese State Capitalism*. Oxford: Oxford University Press, pp. 109–132. Available at: https://doi.org/10.1093/acprof:oso/9780190250256.003.0006.

Cyol.com (2004) '*zhong guo de 'ma liu jia kun ju' |中国的"马六甲困局"| China's 'Malacca Dilemma'*. 15 June. Available at: http://zqb.cyol.com/content/2004-06/15/content_888233.htm (Accessed: 03 December 2021).

Dai, B. (2010) 'zhong guo guo wu wei yuan dai bing guo: jian chi zou he ping fa zhan dao lu |中国国务委员戴秉国：坚持走和平发展道路| Chinese State Councilor Dai Bingguo: Adhere to the path of peaceful development', *Gov.cn*. 6 December. Available at: http://www.gov.cn/ldhd/2010-12/06/content_1760381.htm (Accessed: 03 November 2020).

Davis, B. (2019) 'Trade Talks Spotlight Role of China's State-Owned Firms', *The Wall Street Journal*. 26 January. Available at: https://www.proquest.com/pq1business/docview/2171174104/32375D6D746248C2PQ/1?accountid=10673&parentSessionId=11%2FM0s0utZXx487LbulPZnMuHh1QV2ijsV74mAnKKfQ%3D&parentSessionId=Rv%2Bkc92nQdQhjgqdbuD3p%2BA412BCJGO%2F2Uh%2Fu3nJRDg%3D (Accessed: 11 September 2022).

Deng, X. (1993) 'yi xin yi yi gao jian she |一心一意搞建设| We Shall Concentrate on Economic Development', in Editorial Committee on Party Literature of the Central Committee of the CCP (ed.) *邓小平文选 |The Selected Works of Deng Xiaoping*. 1st edn. Beijing: People's Publishing House, pp. 9–11.

Diamond, L. (2003) 'The rule of law as transition to democracy in China', *Journal of Contemporary China*, 12(35), pp. 319–331.

Dian, M. (2017) *Contested Memories in Chinese and Japanese Foreign Policy*, *Contested Memories in Chinese and Japanese Foreign Policy*. Amsterdam: Elsevier. Available at: https://doi.org/10.1093/ia/iiy224.

Dixon, J. (2014) 'East China Sea or South China Sea, they are all China's Seas: comparing nationalism among China's maritime irredentist claims', *Nationalities Papers*, 42(6), pp. 1053–1071. Available at: https://doi.org/10.1080/00905992.2014.969693.

Donmoyer, R. (2008) 'Quantitative Research', in L. Given (ed.) *The SAGE Encyclopedia of Qualitative Research Methods*. Thousand Oaks: SAGE Publications, Inc., pp. 713–718. Available at: https://doi.org/10.4135/9781412963909.

Doshi, R. (2019) 'Hu's to blame for China's foreign assertiveness?', *Brookings Institution*. 22 January. Available at: https://www.brookings.edu/articles/hus-to-blame-for-chinas-foreign-assertiveness/ (Accessed: 19 November 2021).

Downs, E.S. and Saunders, P.C. (1999) 'Legitimacy and the Limits of Nationalism: China and the Diaoyu Islands', *International Security*, 23(4), pp. 114–146. Available at: https://doi.org/10.1162/isec.23.3.114.

Drc.gov.cn. (2016) '*tui jin 'yi dai yi lu' ji chu she shi jian she zhong zai chuang zao xiang guan zhu ti can yu he zuo jian she de tiao jian | 推进"一带一路"基础设施建设重在创造相关主体参与合作建设的条件|The key to promoting the infrastructure construction of the "Belt and Road" is creating conditions for relevant entities to participate in cooperative construction*'. 7 June. Available at: https://www.drc.gov.cn/DocView.aspx?chnid=386&leafid=1339&docid=2891053 (Accessed: 03 January 2022).

Duffield, J.S. (1999) 'Political culture and state behavior: Why germany confounds neorealism', *International Organization*, 53(4), pp. 765–803. Available at: https://doi.org/10.1162/002081899551066.

Duggan, N. (2020) *Competition and Compromise among Chinese Actors in Africa: A Bureaucratic Politics Study of Chinese Foreign Policy Actors*. Singapore: Palgrave Macmillan.

Duignan, J. (2016) 'Judgemental Sampling (purposive sampling, authoritative sampling)', in J. Duignan (ed.) *A Dictionary of Business Research Methods*. Oxford: Oxford University Press. Available at: https://www.oxfordreference.com/view/10.1093/acref/9780191792236.001.0001/acref-9780191792236-e-290 (Accessed: 11 August 2020).

Economic Daily. (2021) *que bao neng yuan an quan guan jian zai bao gong - guo wu yuan guo you zi chan jian du guan li wei yuan hui | 确保能源安全关键在保供 - 国务院国有资产监督管理委员会| The key to ensuring energy security is to maintain supply - State-owned Assets Supervision and Administration Commission of the State Council* 29 October. Available at: http://www.sasac.gov.cn/n2588025/n2588139/c21429808/content.html (Accessed: 13 April 2022).

Economides, S. and Wilson, P. (2001) *Economic Factors in International Relations: A Brief Introduction*. London: I. B. Tauris & Company, Limited. Available at: https://doi.org/10.1111/j.1758-6623.1956.tb03051.x.

Economy, E. (2010) 'The end of the "peaceful rise"?', *Foreign Policy*, (183), pp. 77–78.

Economy, E. (2020) 'Exporting the China Model'. *U.S.-China Economic and Security Review Commission* 13 March. Available at: https://www.uscc.gov/sites/default/files/testimonies/USCCTestimony3-13-20 (Accessed: 29 August 2021).

Economy, E.C. (2018) 'China's new revolution: The reign of Xi Jinping', *Foreign affairs*, 97(3), pp. 60–74.

News.sina.com. (2018) 'yi wen qing xi du dong dang he guo jia ji gou gai ge fang |'侠客岛：一文清晰读懂党和国家机构改革方案| Xia ke dao: One article to understand the reform plan of the party and state institutions', *Xiakedao (WeChat Official News Account of People's Daily Overseas Edition)* 22 March. Available at: http://news.sina.com.cn/c/nd/2018-03-22/doc-ifyskeue4716783.shtml (Accessed: 19 May 2020)

Erturk, K.A. (2001) 'Overcapacity and the East Asian Crisis', *Journal of Post Keynesian Economics*, 24(2), pp. 253–275. Available at: https://doi.org/10.1080/01603477.2001.11490326.

Fairclough, N. (2009) 'A dialectical-relational approach to critical discourse analysis in social research', in R. Wodak and M. Meyer (eds) *Methods of critical discourse analysis*. 2nd edn. London: SAGE Publications, pp. 162–186.

Fairclough, N. and Fairclough, I. (2012) *Political discourse analysis: A method for advanced students*, *Discourse & Society*. London: Routledge.

Feng, H. (2015) 'Foreign Policy Analysis in China', in Brummer, K. and Hudson, V. M. (eds) *Foreign Policy Analysis Beyond North America*. Boulder: Lynne Rienner Publishers, pp. 15–36. doi: 10.1515/9781626372399-002.

Fec.mofcom.gov.cn (2009) *zhong guo "zou chu qu" zhan lve jin ru kuai su fa zhan jie duan|中国"走出去"战略进入快速发展阶段|China's "Go Out" strategy has entered a stage of rapid development*, 15 December. Available at: http://fec.mofcom.gov.cn/article/ywzn/xgzx/zlyj/201511/20151101181984.shtml (Accessed: 18 December 2023).

Feng, H. (2015) 'Foreign Policy Analysis in China', in Brummer, K. and Hudson, V. M. (eds) *Foreign Policy Analysis Beyond North America*. Boulder: Lynne Rienner Publishers, pp. 15–36. doi: 10.1515/9781626372399-002.

Feng, H. and He, K. (2020) 'The study of Chinese scholars in foreign policy analysis: an emerging research program', *The Pacific Review*, 33(3–4), pp. 362–385. Available at: https://doi.org/10.1080/09512748.2020.1738538.

Ferdinand, P. (2016) 'Westward ho—the China dream and "one belt, one road": Chinese foreign policy under Xi Jinping', *International affairs,* 92(4), pp. 941–957. Available at: https://doi.org/10.1111/1468-2346.12660.

Fewsmith, J. (2013) 'Xi Jinping's Fast Start', *China Leadership Monitor* [Preprint], (41). 6 June. Available at: https://www.hoover.org/research/xi-jinpings-fast-start (Accessed: 26 April 2020).

Fewsmith, J. (2018) 'The 19th party congress: ringing in Xi Jinping's New Age', *China Leadership Monitor*, (55). January 23 Available at: https://www.hoover.org/research/19th-party-congress-ringing-xi-jinpings-new-age (Accessed: 11 August 2021).

Finance.china.com (2015) *yi dai yi lu ling dao ban zi 'yi zheng si fu' ming dan shou bao guang |一带一路领导班子"一正四副"名单首曝光|The list of the top of the Central Leading Small Group on Advancing the Development of OBOR, 'One Principal and four Deputy', was firstly exposed*. 5 April. Available at: https://finance.china.com.cn/news/gnjj/20150405/3041455.shtml (Accessed: 18 December 2021).

Finance.sina (2016) *bao wu he bing"xiao mu biao": wei lai san nian qu chan neng 1600 wan dun |宝武合并"小目标"：未来三年去产能1600万吨|Bao Wu Merger 'Small Goal': To reduce production capacity by 16 million tons in the next three years*, 12 October Available at: https://finance.sina.cn/2016-10-12/detail-ifxwrhzc9079198.d.html?from=wap (Accessed: 7 April 2022).

Finance.sina (2021) 'zhi zao ye shi qiang sheng fen: guang dong di yi ,zhe ji di lian xu ru wei zhi liang xiao yi qian shi |制造业十强省份：广东第一， 这几地连续入围质量效益前十| Top 10 manufacturing provinces: Guangdong is the top, these places are continuously listed in the top 10 manufacturing provinces of high quality and efficiency', *第一财经|China Business Network*. 26 March Available at: https://finance.sina.com.cn/roll/2021-03-26/doc-ikkntiam8307838.shtml (Accessed: 28 December 2021).

Finnemore, M. (1996) *National Interests in International Society*. New York: Cornell University Press. Available at: https://doi.org/10.7591/9781501707384.

Finnemore, M. and Sikkink, K. (1998) 'International Norm Dynamics and Political Change', *International Organization*, 52(4), pp. 887–917.

Fitzgerald, J. (1996) 'The Nationless State: the Search for a Nation in Modern Chinese Nationalism', in J. Unger (ed.) *Chinese Nationalism*. Armonk: M.E. Sharpe, pp. 56–85.

Fleury, J.S. and Marcoux, J.-M. (2016) 'The US Shaping of State-Owned Enterprise Disciplines in the Trans-Pacific Partnership', *Journal of International Economic Law*, 19(2), pp. 445–465. Available at: https://doi.org/10.1093/jiel/jgw046.

Fmprc.gov.cn. (2014) *The Central Conference on Work Relating to Foreign Affairs was Held in Beijing*, 29 November Available at: https://www.fmprc.gov.cn/eng/wjb_663304/zzjg_663340/xws_665282/xgxw_665284/201412/t20141201_600270.html (Accessed: 03 August 2022).

Fmprc.gov.cn (2021) *Position Paper on China's Cooperation with the United Nations*. 22 October. Available at:

https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/wjzcs/202110/t20211022_9609380.html (Accessed: 9 May 2023).

Fmprc.gov.cn (2022a) *Joint Statement on the 20th Anniversary of the Declaration on the Conduct of Parties in the South China Sea*. 14 November. Available at: https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/202211/t20221114_10974284.html (Accessed: 26 April 2023).

Fmprc.gov.cn (2022b) *President Xi Jinping Meets with U.S. President Joe Biden in Bali*. 14 November. Available at: https://www.fmprc.gov.cn/eng/zxxx_662805/202211/t20221114_10974686.html (Accessed: 20 February 2023).

Fmprc.gov.cn (2023) *'Set aside dispute and pursue joint development'*. Available at: https://www.fmprc.gov.cn/eng/ziliao_665539/3602_665543/3604_665547/200011/t20001117_697808.html (Accessed: 11 January 2023).

Foot, R. (2014) '"Doing some things" in the Xi Jinping era: The United Nations as China's venue of choice', *International Affairs*, 90(5), pp. 1085–1100. Available at: https://doi.org/10.1111/1468-2346.12158.

Foot, R. (2017) 'Restraints on conflict in the China-US relationship: Contesting power transition theory', in A. Toje (ed.) *Will China's Rise be Peaceful?: The Rise of a Great Power in Theory, History, Politics, and the Future*. Oxford: Oxford University Press, pp. 76–102. Available at: https://doi.org/10.1093/oso/9780190675387.003.0005.

Foot, R. (2018) 'Restraints on conflict in the China–US relationship: Contesting power transition theory', *Will China's rise be peaceful*, pp.79-99.

Foot, R. and King, A. (2021) 'China's world view in the Xi Jinping Era: Where do Japan, Russia and the USA fit?', *The British Journal of Politics and International Relations*, 23(2), pp. 210–227. Available at: https://doi.org/10.1177/1369148120914467.

Fox Business. (2018) *China made a mistake retaliating to Trump tariffs: Peter Navarro*. [YouTube Video]. 20 June. Available at: https://www.youtube.com/watch?v=LGbgNKtBJG8 (Accessed: 16 December 2022).

Francois, P., Trebbi, F. and Xiao, K. (2016) *Factions in Nondemocracies: Theory and Evidence from the Chinese Communist Party*. Cambridge, MA. Available at: https://doi.org/10.3386/w22775.

Fravel, M.T. (2005) 'Regime insecurity and international cooperation: explaining China's compromises in territorial disputes', *International Security*, 30(2), pp. 46–83. Available at: https://doi.org/10.1162/016228805775124534.

Freeman, R. and Maybin, J. (2011) 'Documents, practices and policy', *Evidence and Policy*, 7(2), pp. 155–170. Available at: https://doi.org/10.1332/174426411X579207.

Friedberg, A. (1993) 'Ripe for Rivalry: Prospects for Peace in a Multipolar Asia', *International Security*, 18(3), pp. 5–33.

Friedberg, A. (2015) 'The Sources of Chinese Conduct: Explaining Beijing's Assertiveness', *The Washington Quarterly*, 37(4), pp. 133–150.

Friedberg, A. L. (2018) 'Competing with China', *Survival*, 60(3), pp. 7–64. doi: 10.1080/00396338.2018.1470755.

Friedrichs, J. and Kratochwil, F. (2009) 'On acting and knowing: How pragmatism can advance international relations research and methodology', *International Organization*, 63(4), pp. 701–731. Available at: https://doi.org/10.1017/S0020818309990142.

Ft.com (2018) *Mahathir Mohamad warns against 'new colonialism' during China visit*. 20 August Available at: https://www.ft.com/content/7566599e-a443-11e8-8ecf-a7ae1beff35b (Accessed: 27 July 2022).

Fta.mofcom.gov.cn (2013) *zhong ri han zi you mao yi qu tan pan kai qi shi yi nian nu li zhong xian da mu | 中日韩自由贸易区谈判开启 十一年努力终掀大幕| China-Japan-ROK Free Trade Area Talks Begin-Eleven years of Work Finally Kick Off*. 27 March. Available at: http://fta.mofcom.gov.cn/article/chinarihan/chinarhgfguandian/201508/27925_1.html (Accessed: 17 April 2022).

Fu, Y. (2021) *kan shi jie2: bai nian bian ju xia de tiao zhan he jue ze | 看世界2：百年变局下的挑战和抉择|Seeing the World 2: Challenges and Choices under the Changing Situation of a Century*. Beijing: China Citi Press.

Fu, Y. and Wu, S. (2016) 'South China Sea: How We Got to This Stage', *The National Interest*. 9 May. Available at: http://nationalinterest.org/feature/south-china-sea-how-we-got-stage-16118 (Accessed: 13 May 2020).

International Monetary Fund. (2020) *Fiscal monitor: Policies to Support People During the COVID-19 Pandemic*. Washington, D.C. 6 April Available at: https://www.imf.org/en/Publications/FM/Issues/2020/04/06/fiscal-monitor-april-2020 (Accessed: 15 December 2022).

International Monetary Fund. (2021) *People's Republic of China: Selected Issues*, IMF Staff Country Reports (012). Available at: https://doi.org/10.5089/9781513566528.002.

Gabriele, A. (2010) 'The Role of the State in China's Industrial Development: A Reassessment', *Comparative Economic Studies*, 52(3), pp. 325–350. Available at: https://doi.org/10.1057/ces.2010.11.

Gaenssmantel, F. (2015) 'Interpreting change: International challenges and variations in foreign policy beliefs as explanations for shifts in China's policy towards the European Union', *International Relations*, 29(3), pp. 395–409. Available at: https://doi.org/10.1177/0047117815600933.

Gallagher, K.P. and Irwin, A. (2015) 'China's economic statecraft in Latin America: Evidence from China's policy banks', *Pacific Affairs*, 88(1), pp. 99–121. Available at: https://doi.org/10.5509/201588199.

Gao, X. (2019) 'Approaching the technological innovation frontier: evidence from Chinese SOEs', *Industry and Innovation*, 26(1), pp. 100–120. Available at: https://doi.org/10.1080/13662716.2017.1415134.

Garver, J. W. (2016) *China's Quest: The History of the Foreign Relations of the People's Republic of China*. New York: Oxford University Press. doi: 10.1093/acprof:oso/9780190261054.001.0001.

Gerring, J. (2004) 'What Is a Case Study and What Is It Good for?', *Case Studies*, 98(2), pp. 341–354. Available at: https://doi.org/10.4135/9781473915480.n7.

Giddens, A. and Sutton, P. (2017) *Sociology*. 8th editio. Cambridge, UK: Polity Press.

Gilpin, R. (1981) *War and Change in World Politics*. Cambridge: Cambridge University Press. Available at: https://doi.org/10.1017/cbo9780511664267.

Giddens, A. and Sutton, P. (2017) *Sociology*. 8th editio. Cambridge, UK: Polity Press.

Gilpin, R. (1981) *War and Change in World Politics*. Cambridge: Cambridge University Press. Available at: https://doi.org/10.1017/cbo9780511664267.

Glaser, B. and Dooley, B. (2009) 'China's 11th Ambassadorial Conference Signals Continuity and Change in Foreign Policy', *China Brief*, 9(22).

Glaser, B. (2012) *Armed Clash in the South China Sea*, Contingency Planning Memorandum No. 14. 11 April. Available at: https://www.cfr.org/report/armed-clash-south-china-sea. (Accessed: 22 February 2021).

Glaser, C. (2011) 'Will China's Rise Lead to War? Why Realism Does Not Mean Pessimism', *Foreign Affairs*, 90(2), pp. 80–91.

Goldstein, A. (2020) 'China's grand strategy under xi jinping: Reassurance, reform, and resistance', *International Security*, 45(1), pp. 164–201. Available at: https://doi.org/10.1162/isec_a_00383.

Gong, Y., Görg, H. and Maioli, S. (2007) 'Employment Effects of Privatisation and Foreign Acquisition of Chinese State-owned Enterprises', *International Journal of the Economics of Business*, 14(2), pp. 197–214. Available at: https://doi.org/10.1080/13571510701343972.

Gonzalez-Vicente, R. (2015) 'The limits to China's non-interference foreign policy: pro-state interventionism and the rescaling of economic governance', *Australian Journal of International Affairs*, 69(2), pp. 205–223. Available at: https://doi.org/10.1080/10357718.2014.978740.

Gore, L.L.P. (2019) 'The communist party-dominated governance model of China: Legitimacy, accountability, and meritocracy', *Polity*, 51(1), pp. 161–194. Available at: https://doi.org/10.1086/700615.

Gotz, E. (2021) 'Neoclassical Realist Theories, Intervening Variables, and Paradigmatic Boundaries', *Foreign policy analysis*, 17(2), p. 1. doi: 10.1093/fpa/oraa026.

Gov.cn (1981) *guan yu jian guo yi lai dang de ruo gan li shi wen ti de jue yi | 关于建国以来党的若干历史问题的决议|Resolution on Certain Questions in the History of Our Party since the Founding of the People's Republic of China*. 27 June. Available at: http://www.gov.cn/test/2008-06/23/content_1024934.htm (Accessed: 9 December 2022).

Gov.cn. (2000). *中共中央关于制定国民经济和社会发展第十个五年计划的建议| zhong gong zhong yan guan yu zhi ding guo min jing ji he she hui fa zhan di shi ge wu nian ji hua de jian yi |Suggestions of the Central Committee of the CCP on the Formulation of Proposals for the Tenth Five-Year Plan for National Economy and Social Development*. 11 October. Available at: https://www.gov.cn/gongbao/content/2000/content_60538.htm (Accessed: 27 November 2021).

Gov.cn (2005) *rang li shi ming ji ——zhong guo jia ru shi mao zu zhi tan pan bei wang lu |让历史铭记——中国加入世贸组织谈判备忘录| Let history remembers - China's accession to the WTO negotiation memorandum*. 31 October. Available at: http://www.gov.cn/ztzl/content_87675.htm (Accessed: 15 October 2022).

Gov.cn (2006a) *guo jia "shi yi wu" shi qi wen hua fa zhan gui hua gang yao|国家"十一五"时期文化发展规划纲要|Outline of the National Plan for Cultural Development During the Period of the Eleventh Five-year Plan*, 10 November. Available at: https://www.gov.cn/gongbao/content/2006/content_431834.htm (Accessed: 11 December 2023).

Gov.cn (2006b) 'guo zi wei: guo you jing ji ying bao chi dui qi ge hang ye de jue dui kong zhi li |国资委：国有经济应保持对七个行业的绝对控制力| State-owned Assets Supervision and Administration Commission: The state-owned economy should maintain absolute control over seven industries', *State-owned Assets Supervision and Administration Commission*. 18 December. Available at: http://www.gov.cn/jrzg/2006-12/18/content_472256.htm.(Accessed: 11 November 2022).

Gov.cn (2009) *guo wu yuan zhao kai pu tong gao xiao bi ye sheng jiu ye gong zuo dian shi dian hua hui yi |国务院召开普通高校毕业生就业工作电视电话会议| The State Council Holds a Video and Telephone Conference on the Employment of Ordinary College Graduates*, 2 April Available at: http://www.gov.cn/ldhd/2009-04/02/content_1276142.htm (Accessed: 16 November 2022).

Gov.cn (2010) *fa zhan gai ge wei fu ze ren jiu shi shi xi bu da kai fa zhan lue jie shou zhuan fang|发展改革委负责人就实施西部大开发战略接受专访| The person in charge of the* National *Development and Reform Commission accepts an exclusive interview on the implementation of the Western Development Strategy*. 8 July. Available at: http://www.gov.cn/jrzg/2010-07/08/content_1649086.htm (Accessed: 19 April 2022).

Gov.cn (2011a) 'guo wu yuan xin wen ban gong shi fa bu《zhong guo de he ping fa zhan》bai pi shu(quan wen) |国务院新闻办公室发布《中国的和平发展》白皮书（全文）| The Information Office of the State Council publishes the white paper 'China's Peaceful Development' (full text)', *Information Office of the State Council*. 6 September. Available at: https://www.gov.cn/jrzg/2011-09/06/content_1941204.htm (Accessed: 15 August 2020).

Gov.cn (2011b) 'ren min ri bao: mei you yi ge hao huan jing jiu bu neng jie bu ke neng jie jue nan hai wen ti| 人民日报：没有一个好环境就不可能解决南海问题| People's Daily: Without a good environment, it is impossible to solve the South China Sea Problem.' *People's Daily*, 20 July. Available at: https://www.gov.cn/jrzg/2011-07/20/content_1909667.htm (Accessed: 25 February 2021).

Gov. cn (2013a) 'Wo guo shi ru he ying dui guo ji jin rong wei ji yan zhong chong ji de?|我国是如何应对国际金融危机严重冲击的?|How did our country respond to the serious impact of the international financial crisis?', 29 March. Available at: https://www.gov.cn/2013zfbgjjd/content_2365252.htm (Accessed: 01 December 2023).

Gov.cn (2013b) *zhong gong zhong yang guan yu quan mian shen hua gai ge ruo gan zhong da wen ti de jue ding |中共中央关于全面深化改革若干重大问题的决定|The Decision of Communist Party of China's Central Committee on Several Major Issues Concerning Comprehensively Deepening Reforms*. 15 November Available at: http://www.gov.cn/jrzg/2013-11/15/content_2528179.htm (Accessed: 01 November 2022).

Gov.cn (2014) *Xi Jinping presided over the eighth meeting of the Central Financial and Economic Leading Group, Emphasising Accelerate the Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, and Li Keqiang, Liu Yunshan and Zhang Gaoli attended the meeting |习近平主持召开中央财经领导小组第八次会议强调加快推进丝绸之路经济带和21世纪海上丝绸之路建设，李克强刘云山张高丽出席|*.6 November. Available at: https://www.gov.cn/xinwen/2014-11/06/content_2776021.htm (Accessed: 02 March 2021).

Gov.cn (2015a) *guo wu yuan guan yu yin fa《zhong guo zhi zao 2025》de tong zhi |国务院关于印发《中国制造2025》的通知| Notice of the State Council on Printing and Distributing 'Made in China 2025'*, 19 May. Available at: https://www.gov.cn/zhengce/content/2015-05/19/content_9784.htm (Accessed: 23 August 2021).

Gov.cn (2015b) *tui jin 'yi dai yi lu' jian she gong zuo ling dao xiao ze ban gong shi fu ze ren jiu 'yi dai yi lu' jian she you guan wen ti da ji zhe wen |推进"一带一路"建设工作领导小组办公室负责人就"一带一路"建设有关问题答记者问| Person in charge of the office for the Leading Group for the Belt and Road Initiative Answered Questions from on Issues Related to the Construction of the "Belt and Road" to Reporters*. 29 March. Available at: https://www.gov.cn/xinwen/2015-03/29/content_2839848.htm (Accessed: 18 April 2022).

Gov.cn (2015c) *zhong gong zhong yang、guo wu yuan guan yu shen hua guo you qi ye gai ge de zhi dao yi jian |中共中央、国务院关于深化国有企业改革的指导意见| Guiding Opinions of the Central Committee of the Communist Party of China and the State Council on Deepening the Reform of State-owned Enterprises*. 13 September

Available at: http://www.gov.cn/zhengce/2015-09/13/content_2930440.htm (Accessed: 09 December 2022).

Gov.cn (2016) *ya tou hang qi hang shi da kan dian |亚投行启航十大看点| Ten Highlights of the launching of AIIB*. 18 January. Available at: https://www.gov.cn/zhengce/2016-01/18/content_5033645.htm (Accessed: 11 April 2022).

Gov.cn (2017a) *xi jin ping: jue sheng quan mian jian cheng xiao kang she hui duo qu xin shi dai zhong guo te se sheng hui zhu yi wei da sheng li | 习近平：决胜全面建成小康社会 夺取新时代中国特色社会主义伟大胜利——在中国共产党第十九次全国代表大会上的报告| Xi Jinping: Secure a Decisive Victory in Building a Moderately Pros*. Available at: http://www.gov.cn/zhuanti/2017-10/27/content_5234876.htm (Accessed: 01 December 2023).

Gov.cn (2017b) *xi jin ping zai jiang su xu zhou kao cha qiang diao jin kou xin shi dai yao qiu tui dong gai ge fa zhan |习近平在江苏徐州考察强调紧扣新时代要求推动改革发展| Xi Jinping Inspects Xuzhou, Jiangsu: emphasises closely following the new era's requirement of promoting reform and development*. 14 December. Available at: http://www.gov.cn/xinwen/2017-12/14/content_5246749.htm (Accessed: 01 November 2022).

Gov.cn (2017c) *zhong yang qi ye guo chuang tou zi yin dao ji jin chuang li zong gui mo 1500 yi yuan |中央企业国创投资引导基金创立总规模1500亿元| The total scale of the creation of the Central Government State-Owned-Enterprises Guochuang Investment Guiding fund is 150 billion yuan*, 16 May. Available at: http://www.gov.cn/xinwen/2017-05/16/content_5194436.htm (Accessed: 10 November 2022).

Gov.cn (2018a) *zhan lue xing xin xing chan ye fen lei(2018) (guo jia tong ji ju ling di 23 hao) | 战略性新兴产业分类（2018）（国家统计局令第23号）| Classification of Strategic Emerging Industries (2018) (National Bureau of Statistics Order No. 23)*. 31 December Available at: http://www.gov.cn/zhengce/zhengceku/2018-12/31/content_5433037.htm (Accessed: 15 December 2022).

Gov.cn (2018b) *zheng que kan dai ji rong ye jin yi bu dui wai kai fang|正确看待金融业进一步对外开放|Correctly view the further opening up of the financial industry*. 2 April Available at: https://www.gov.cn/zhengce/2018-04/02/content_5279314.htm (Accessed: 26 September 2022).

Gov.cn (2019) *gong jian 'yi dai yi lu' chang yi: jin zhan、gong xian yu zhan wang |共建"一带一路"倡议：进展、贡献与展望| Report on Jointly Building the One Belt and One Road Initiative: Progress, Contributions and Prospects*, 22 April Available at: https://www.gov.cn/xinwen/2019-04/22/content_5385144.htm (Accessed: 29 May 2022).

Gov.cn (2020) *180 ge jian jiao guo、112 dui huo ban guan xi: zhong guo de peng you bian tian xia 180个建交国、112对伙伴关系：中国的朋友遍天下||180 countries with diplomatic relations and 112 partnerships: China has friends all over the world*. 9 October. Available at: http://www.gov.cn/xinwen/2020-10/09/content_5549982.htm (Accessed: 27 August 2021).

Greene, T. (2017) 'When Conviction Trumps Domestic Politics: Tony Blair and the Second Lebanon War', *Foreign Policy Analysis* [Preprint]. Available at: https://doi.org/10.1093/fpa/orx004.

Gries, P.H. (2004) *China's new nationalism: Pride, politics, and diplomacy*. California: University of California Press. Available at: https://doi.org/10.5860/choice.42-0569.

Gries, P.H. (2005) 'Chinese Nationalism: Challenging the State?', *Current History*, 104(683), pp. 251–256.

International Crisis Group. (2015) *Stirring Up the South China Sea (III): A Fleeting Opportunity for Calm*. Brussels: International Crisis Group. 7 May. Available at: https://www.crisisgroup.org/asia/north-east-asia/china/stirring-south-china-sea-iii-fleeting-opportunity-calm (Accessed: 11 January 2021).

Guancha.cn (2021) *zheng ruo ling dui hua zhu fa da shi lu sha ye: 'wo men xian zai wai jiao feng ge bian le, ni men yao shi ying wo men de xin feng ge' |郑若麟对话驻法大使卢沙野："我们现在外交风格变了，你们要适应我们的新风格" | Zheng Ruolin's dialogue with Lu Shaye, Ambassador to France: 'Our diplomatic style has changed now, and you have to adapt to our new style.* 16 June. Available at: https://www.guancha.cn/lushaye/2021_06_16_594555.shtml (Accessed: 21 May 2023).

Gzw.wuhan.gov.cn (2018) *xi jin ping guan yu guo qi gai ge de xi lie lun shu he jiang hua jing shen|习近平关于国企改革的系列论述和讲话精神|The series of Xi Jinping's expositions on the reform of state-owned enterprises and and the spirit of his speeches*. 14 February. Available at: http://gzw.wuhan.gov.cn/bmdt/gzjg/202004/t20200402_987604.html (Accessed: 19 November 2022).

Haddick, R. (2010) 'This Week at War: China Backs Down for Now' *Foreign Policy*. 15 October. Available at: https://foreignpolicy.com/2010/10/15/this-week-at-war-china-backs-down-for-now/ (Accessed: 11 August 2021).

Hagström, L. and Gustafsson, K. (2019) 'Narrative power: how storytelling shapes East Asian international politics', *Cambridge Review of International Affairs*, 32(4), pp. 387–406. Available at: https://doi.org/10.1080/09557571.2019.1623498.

Haiwainet (2015) *zhong guo zhuan jia: zhong ri han zi mao xie ding ke huan jie TPP dui zhong guo de chong ji |中国专家：中日韩自贸协定可缓解TPP对中国的冲击| Chinese experts: China-Japan-ROK FTA could cushion TPP's impact on China*, 3 November. Available at:

http://m.haiwainet.cn/middle/232591/2015/1103/content_29315551_1.html (Accessed: 25 April 2022).

Hakim, C. (1982) 'The Social Consequences of High Unemployment', *Journal of Social Policy*, 11(4), pp. 433–467. Available at: https://doi.org/10.1017/S0047279400022522.

Hameiri, S. and Jones, L. (2016) 'Rising powers and state transformation: the case of China', *European Journal of International Relations*, 22(1), pp. 72–98. Available at: https://doi.org/10.1177/1354066115578952.

Hao, P. (2020) 'guo wu yuan guan yu 2019 nian du guo zi xi tong jian guan qi ye guo you zi chan guan li qing kuang de zhuan xiang bao gao |国务院关于2019年度国资系统监管企业国有资产管理情况的专项报告| State Council's Special report on the management of state-owned assets of enterprises under the supervision of the state-owned assets system in 2019', *Npc.gov.cn*. 17 October Available at: http://www.npc.gov.cn/npc/c30834/202010/92861cc1660044d0b4c1511083bab902.shtml (Accessed: 28 October 2022).

Harrison, A., Meyer, M., Wang, P., Zhao, L., and Zhao, M. (2019) *Can a Tiger Change Its Stripes? Reform of Chinese State-Owned Enterprises in the Penumbra of the State*. NBER Working Papers, No. 25475. Cambridge: National Bureau of Economic Research, Inc. Available at: https://ideas.repec.org/p/nbr/nberwo/25475.html. (Accessed: 30 October 2022).

Harrison, L. and Callan, T. (2013) *Key research concepts in politics and international relations*. London: SAGE Publications.

Hashimzade, N., Myles, G. and Black, J. (2017) 'Liberalisation', *A Dictionary of Economic* [Preprint]. Oxford: Oxford University Press. Available at: https://www.oxfordreference.com/view/10.1093/acref/9780198759430.001.0001/acref-9780198759430-e-1798 (Accessed: 19 August 2022).

Hass, R. and Denmark, A. (2020) *'More pain than gain: How the US-China trade war hurt America'*. Washington: The Brookings Institution. 7 August. Available at: https://www.proquest.com/docview/2431092507?pq-origsite=primo&parentSessionId=LuOIoD4BoRkiXb58PEHlKrufte8Np3%2BxufGOEqImUmI%3D (Accessed: 30 November 2022).

He, B. and Guo, Y. (2000) *Nationalism, national identity and democratization in China*. New York: Ashgate Publishing.

He, F. and Yang, P. (2015) 'China's Role in Asia's Free Trade Agreements', *Asia & the Pacific Policy Studies*, 2(2), pp. 416–424. Available at: https://doi.org/10.1002/APP5.66.

He, K. and Feng, H. (2013) 'Xi jinping's operational code beliefs and china's foreign policy', *Chinese Journal of International Politics*, 6(3), pp. 209–231. Available at: https://doi.org/10.1093/cjip/pot010.

He, K. and Feng, H. (2015) 'Transcending rationalism and constructivism: Chinese leaders' operational codes, socialization processes, and multilateralism after the Cold War',

European Political Science Review, 7(3), pp. 401–426. Available at: https://doi.org/10.1017/S1755773914000241.

He, Y. (2014) 'China's overcapacity crisis can spur growth through overseas expansion', *South China Morning Post*. 7 January. Available at: https://www.scmp.com/comment/insight-opinion/article/1399681/chinas-overcapacity-crisis-can-spur-growth-through-overseas (Accessed: 24 May 2022).

Henney, M. (2019) 'US-China trade war timeline: How did the spat begin?', *FOX Business* 29 June. Available at: https://www.foxbusiness.com/politics/us-china-trade-war-timeline (Accessed: 07 December 2022).

Hermann, C.F. (1990) 'Changing Course: When Governments Choose to Redirect Foreign Policy', *International Studies Quarterly*, 34(1), pp. 3–21. Available at: https://doi.org/10.2307/2600403.

Herz, J.H. (1950) 'Idealist internationalism and the security dilemma', *World politics*, 2(2), pp. 157–180.

Hill, C. (2003) *The Changing politics of foreign policy*. New York: Palgrave Macmillan. Available at: https://doi.org/10.1080/103614042000295237.

Hillman, J. and Sacks, D. (2021) *China's Belt and Road: Implications for the United States*, *Council on Foreign Relations*. New York: Council on Foreign Relations. Available at: https://www.cfr.org/report/chinas-belt-and-road-implications-for-the-united-states/findings (Accessed: 14 April 2022).

Hillman, J.E. (2020) *The Emperor's New Road: China and the Project of the Century*, *The Emperor's New Road*. Washington: Center for Strategic and International Studies. Available at: https://doi.org/10.2307/j.ctv15pjxqt.

Hissey, I. (2019). 'Investing In Chinese State-Owned Enterprises'*. FactSet.com* Available at: https://insight.factset.com/investing-in-chinese-state-owned-enterprises (Accessed: 12 December 2022).

Ho, G. (2020) 'A trade pact nearly 10 years in the making: 5 things to know about RCEP', *Straitsimes.com*,15 November. Available at: https://www.straitstimes.com/asia/a-trade-pact-nearly-10-years-in-the-making-5-things-to-know-about-rcep (Accessed: 10 May 2022).

Hobson, J. (2000) *The State and International Relations*. Cambridge: Cambridge University Press. Available at: https://doi.org/https://doi.org/10.1017/CBO9780511612442.

Holbig, H. (2010) *In Search of Legitimacy in Post-Revolutionary China: Bringing Ideology and Governance Back*, *The GIGA Working Papers*. Hamburg. Available at: https://doi.org/10.2139/ssrn.1586310.

Holbig, H. and Gilley, B. (2010) 'Reclaiming Legitimacy in China', *Politics & Policy*, 38(3), pp. 395–422. Available at: https://doi.org/10.1111/j.1747-1346.2010.00241.x.

Holsti, K. (2016) 'The Problem of Change in International Relations Theory', in K. Holsti (ed.) *Kalevi Holsti: A Pioneer in International Relations Theory, Foreign Policy Analysis, History of International Order, and Security Studies*. Cham: Springer International

Publishing AG, pp. 37–55. Available at: https://doi.org/10.1007/978-3-319-26624-4_5.

Hong, Z. (2016) *China's One Belt One Road: An Overview of the Debate*. Singapore: *The ISEAS – Yusof Ishak Institute.*

Hopf, T. (1998) 'The Promise of Constructivism in International Relations Theory', *International Security*, 23(1), pp. 171–200.

Hornby, L. (2016) 'Beijing censors South China Sea protest', *FT.com*. 17 July. Available at: https://www.ft.com/content/2e3ec4fe-4c8c-11e6-8172-e39ecd3b86fc (Accessed: 11 March 2021).

Hou, J. and Mohnen, P. (2013) 'Complementarity between In-house R&D and Technology Purchasing: Evidence from Chinese Manufacturing Firms', *Oxford Development Studies*, 41(3), pp. 343–371. Available at: https://doi.org/10.1080/13600818.2013.807910.

Houghton, D.P. (2012) 'Agent-level and social constructivism: The case of the Iran hostage crisis', in V. Shannon and P. Kowert (eds) *Psychology and Constructivism in International Relations*. Ann Arbor: University of Michigan Press, pp. 150–169.

Hout, T. (2021) 'A New Approach to Rebalancing the U.S-China Trade Deficit', *Harvard Business Review*. 20 December. Available at: https://hbr.org/2021/12/a-new-approach-to-rebalancing-the-u-s-china-trade-deficit (Accessed: 19 December 2022).

Hsieh, C.-T. and Song, Z. (2015) *Grasp the Large, Let Go of the Small: The Transformation of the State Sector in China*. Nber Working Paper, No. 21006. Available at: https://www.nber.org/system/files/working_papers/w21006/w21006.pdf (Accessed: 21 September 2022).

Hu, J. (2001) 'hu jin tao shuo ,gu li、zhi chi you tiao jian de qi ye zou chu guo men |胡锦涛说，鼓励、支持有条件的企业走出国门| Hu Jintao said to encourage and support qualified enterprises to go abroad', *China news*, 9 March. Available at: http://www.chinanews.com.cn/2001-03-09/26/77034.html (Accessed: 08 August 2021).

Hu, J. (2003) 'hu jin tao zai ji nian mao ze dong dan chen 110 zhou nian zuo tan hui de jiang hua |胡锦涛在纪念毛泽东诞辰110周年座谈会的讲话| Speech by Hu Jintao at the Symposium Commemorating the 110th Anniversary of Mao Zedong's Birth', *Gov.cn*, 26 December. Available at: https://www.gov.cn/test/2009-11/27/content_1474642_3.htm (Accessed: 04 September 2021).

Hu, J. (2011) 'zai ji nian xin hai ge ming 100 zhou nian da hui shang de jiang hua |在纪念辛亥革命１００周年大会上的讲话| Speech at a Meeting Commemorating the Centenary of the Revolution of 1911', *Gov.cn*. 9 October. Available at: https://www.gov.cn/ldhd/2011-10/09/content_1964851.htm (Accessed: 24 August 2021).

Hu, J. (2012) 'Firmly March on the Path of Socialism with Chinese Characteristics and Strive to Complete the Building of a Moderately Prosperous Society in All Respects', *China Daily*, 18 November. Available at: https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2012-11/18/content_29578562.htm (Accessed: 22 August 2021).

Hu, J. (2016) *The selected works of Hu Jintao | 胡锦涛文选.* 1st edn. Beijing: People's Publishing House.

Hu, W. (2016) 'Xi Jinping's "Big Power Diplomacy" and China's Central National Security Commission (CNSC)', *The Journal of contemporary China*, 25(98), pp. 163–177. Available at: https://doi.org/10.1080/10670564.2015.1075716.

Huang, X. (2015) *yi 'yi dai yi lu' cu jin ya zhou gong tong neng yuan an quan | 以"一带一路"促进亚洲共同能源安全| Promoting common energy security in Asia with the OBOR*, *Chinese Academy of Social Sciences*. Available at: http://www.casisd.cn/zkdt/gn/201610/t20161017_4677941.html (Accessed: 26 April 2022).

Huanqiu.com (2011) *zhuan jia ji bian 'tao guang yang hui': he ping jue qi bu pai chu wu li fan ji qin fan | 专家激辩"韬光养晦"：和平崛起不排除武力反击侵犯| Experts debate 'Taoguang Yanghui': Peaceful rise does not exclude countering aggression by force*. 17 December. Available at: https://m.huanqiu.com/article/9CaKrnJtxuC (Accessed: 21 August 2021).

Hudson, V. (2005) 'Foreign Policy Analysis: Actor-Specific Theory and the Ground of International Relations', *Foreign Policy Analysis*, 39(1), pp. 1–30.

Hudson, V.M. and Day, B.S. (2020) *Foreign policy analysis: classic and contemporary theory*. Third. Lanham: Rowman & Littlefield Publishing Group.

Hug, S. (2018) 'Examples of Quantitative Data Processing in International Relations', in G. Devi (ed.) *Resources and Applied Methods in International Relations*. Cham: Springer International Publishing AG, pp. 125–138. Available at: https://doi.org/10.1007/978-3-319-61979-8_9.

Hughes, C. (2011) 'Reclassifying Chinese Nationalism: the geopolitik turn', *Journal of Contemporary China*, 20(71), pp. 601–620. Available at: https://doi.org/10.1080/10670564.2011.587161.

Hui, N. and Wertime, D. (2014) 'Is This the New Face of China's Silent Majority?', *Foreign Policy*. 22 October. Available at: https://foreignpolicy.com/2014/10/22/is-this-the-new-face-of-chinas-silent-majority/ (Accessed: 26 February 2021).

Hunter, F., Impiombato, D., Lau, Y., Triggs, A., Zhang, A., and Deb, U. (2023) *Countering China's coercive diplomacy: Prioritising economic security, sovereignty and the rules-based order*. Policy Brief Report, No. 68. Canberra: Australian Strategic Policy Institute. 22 February Available at: https://www.aspistrategist.org.au/countering-chinas-coercive-diplomacy/ (Accessed: 21 May 2023).

Huo, J. (2015) 'shen ke ling hui mei hao yuan jing yu xing dong zhi nan zha shi tui jin "yi dai yi lu" jian she |'深刻领会美好愿景与行动指南 扎实推进 "一带一路" 建设| Deeply understanding the guidelines of vision and action paper to promote the "Belt and Road" construction solidly', *China Development Observation*, (4), pp. 5–8.

Hurd, I. (2008) 'Constructivism', in C. Reus-Smit and D. Snidal (eds) *The Oxford Handbook of International Relations*. Oxford: Oxford University Press, pp. 298–316.

Hurd, I. (2011) 'Is Humanitarian Intervention Legal? The Rule of Law in an Incoherent World', *Ethics and International Affairs*, 25(3), pp. 293–313. Available at: https://doi.org/10.1017/S089267941100027X.

Ikenberry, G. (2009) 'Liberal internationalism 3.0: America and the dilemmas of liberal world order', *Perspectives on Politics*, 7(1), pp. 71–87. Available at: https://doi.org/10.1017/S1537592709090112.

Ikenberry, G. (2011) 'The future of the liberal world order: internationalism after America', *Foreign affairs*, pp. 56–68.

Ikenberry, G. (2017) 'A new order of things?: China, America, and the struggle over world order', in A. Toje (ed.) *Will China's Rise be Peaceful?: The Rise of a Great Power in Theory, History, Politics, and the Future*. Oxford: Oxford University Press, pp. 33–56. Available at: https://doi.org/10.1093/oso/9780190675387.003.0003.

Ives, M. (2019) 'U.S. Will Drill with Southeast Asian Navies, Echoing Move by China', *The New York Times*, 1 September. Available at: https://www.nytimes.com/2019/09/01/world/asia/asean-us-navy-south-china-sea.html (Accessed: 19 January 2021).

Jervis, R. (1976) *Perception and misperception in international politics*. Princeton: Princeton University Press.

Ji, Z. (2019) 'The South China Sea Island China Gave Away', *The Diplomat*. 14 August. Available at: https://thediplomat.com/2019/08/the-south-china-sea-island-china-gave-away/ (Accessed: 23 May 2021).

Jiang, R. (2009) *lang tu teng|狼图腾|Wolf Totem*. Wuhan: 长江文艺出版社|Changjiang Literature and Art Publishing House.

Jiang, Z. (1992) 'Full Text of Jiang Zemin's Report at 14th Party Congress', *bjreview.com*. 26 October Available at: http://www.bjreview.com.cn/document/txt/2011-03/29/content_363504_13.htm (Accessed: 11 April 2023).

Jiemian.com. (2021) *[Chong fan 90 nian dai zhi xia gang chao] "tie fan wan" za sui hou, yi dai gong ren de chen fu yu mi mang|【重返90年代之下岗潮】"铁饭碗"砸碎后，一代工人的沉浮与迷茫|[Return to the 1990s lay-off trend] After the "iron rice bowl" was smashed, the ups and downs of a generation of workers and their confusions*. 19 August Available at: https://m.jiemian.com/article/6485827.html (Accessed: 07 December 2022).

Jiji Press. (2004a) *FOCUS: Japan in Suspense over China High-Speed Railway Project,* 17 February. Available at: https://www.proquest.com/docview/448346647?pq-origsite=primo# (Accessed: 05 March 2021).

Jiji Press. (2004b) *France Ahead of Japan in Race to Win China Railway Contract*. 22 February. Available at: https://www.proquest.com/docview/448353248?pq-origsite=primo (Accessed: 06 March 2021).

Johnson, C. (1962) *Peasant nationalism and communist power: the emergence of revolutionary China, 1937-1945.* Stanford: Stanford University Press.

Johnston, A.I. (2017) 'Is Chinese Nationalism Rising? Evidence from Beijing', *International Security*, 41(3), pp. 7–43. Available at: https://doi.org/10.1162/ISEC_A_00265.

Johnston, A.I. (2019) 'China in a World of Orders: Rethinking Compliance and Challenge in Beijing's International Relations', *International Security*, 44(2), pp. 9–60. Available at: https://doi.org/10.1162/isec_a_00360.

Johnston, D.M. (1992) 'Anticipating instability in the asia-pacific region', *Washington Quarterly*, 15(3), pp. 103–112. Available at: https://doi.org/10.1080/01636609209550109.

Jones, C. M. (2010) 'Bureaucratic Politics and Organizational Process Models', in *Oxford Research Encyclopaedia of International Studies*. Oxford: Oxford University Press. doi: 10.1093/acrefore/9780190846626.013.2.

Jones, C. (2020) 'Contesting within order? China, socialisation, and international practice', *Cambridge Review of International Affairs*, 33(1), pp. 105–133. doi: 10.1080/09557571.2019.1674781.

Jones, L. and Zeng, J. (2019) 'Understanding China's "Belt and Road Initiative": beyond "grand strategy" to a state transformation analysis', *Third World Quarterly*, 40(8), pp. 1415–1439. Available at: https://doi.org/10.1080/01436597.2018.1559046.

Jorgensen, M. and Phillips, L. (2002) *Discourse Analysis as Theory and Method*. London: SAGE Publications Ltd. Available at: https://doi.org/10.4135/9781849208871.

Kaarbo, J. (2015) 'A Foreign Policy Analysis Perspective on the Domestic Politics Turn in IR Theory', *International Studies Review*, 17(2), pp. 189–216. Available at: https://doi.org/10.1111/misr.12213.

Kahn, J. (2005) 'China Is Pushing and Scripting Anti-Japanese Protests', *The New York Times*, 15 April. Available at: https://www.nytimes.com/2005/04/15/world/asia/china-is-pushing-and-scripting-antijapanese-protests.html (Accessed: 07 August 2021).

Kahneman, D. and Tversky, A. (1979) 'Prospect Theory: an Analysis of Decision under Risk', *Econometrica*, 47(2), pp. 263–291.

Kaplan, M.A. (1966) 'The New Great Debate: Traditionalism vs. Science in International Relations', *World Politics*, 19(1), pp. 1–20. Available at: https://doi.org/10.2307/2009840.

Kastner, S.L., Pearson, M.M. and Rector, C. (2016) 'Invest, Hold Up, or Accept? China in Multilateral Governance', *Security Studies*, 25(1), pp. 142–179. Available at: https://doi.org/10.1080/09636412.2016.1134193.

Katzenstein, P.J. (1996) 'Introduction: Alternative Perspectives on National Security', in P. Katzenstein (ed.) *The Culture of National Security: Norms and Identity in World Politics*. New York: Columbia University Press, pp. 1–27. Available at: https://doi.org/10.2307/20048042.

Kawase, K. (2022) *Made in China 2025 plan thrives with subsidies for tech and EV makers*, *Ft.com*. 1 August. Available at: https://www.ft.com/content/f7df0f64-25b5-4526-82fa-ca1b554b541b (Accessed: 27 September 2022).

Kawashima, S. (2017) 'Toward China's "Hub and Spokes" in Southeast Asia? – Diplomacy during the Hu Jintao and First Xi Jinping Administrations', *Asia-Pacific Review*, 24(2), pp. 64–90. Available at: https://doi.org/10.1080/13439006.2017.1415565.

Keller, F.B. (2016) 'Moving beyond factions: Using social network analysis to uncover patronage networks among Chinese elites', *Journal of East Asian Studies*, 16(1), pp. 17–41. Available at: https://doi.org/10.1017/jea.2015.3.

Keohane, R. and Martin, L.L. (1995) 'The promise of Institutionalist Theory', *International Relations*, 20(1), pp. 39–51.

Keohane, R.O. (1988) 'International Institutions: Two Approaches', *International Studies Quarterly*, 32(4), pp. 379–396. Available at: https://doi.org/10.4324/9780429032967-7.

Keohane, R. and Nye, J.S. (2012) *Power and interdependence*. 4th edn, *Survival*. 4th edn. London: Longman. Available at: https://doi.org/10.1080/00396337308441409.

Keohane, R. and Nye, J.S. (2012) *Power and interdependence*. 4th edn, *Survival*. 4th edn. London: Longman. Available at: https://doi.org/10.1080/00396337308441409.

Keselman, S. (2019) 'The Decision Calculus of Mao', in A. Mintz and D. Adamsky (eds) *How do leaders make decisions? Evidence from the East and West, Part B*. Bingley: Emerald Publishing, pp. 103–144. Available at: https://doi.org/10.1108/S1572-83232019000028B018.

Khan, S. (2018) *Haunted by Chaos: China's Grand Strategy from Mao Zedong to Xi Jinping*. Harvard: Harvard University Press.

Khong, Y. (1992) *Analogies at war: Korea, Munich, Dien Bien Phu, and the Vietnam decisions of 1965*, *International Affairs*. Princeton: Princeton University Press. Available at: https://doi.org/10.2307/2620655.

Kim, S.S. (1979) *China, the United Nations and world order*, *China, the United Nations and World Order*. Princeton: Princeton University Press. Available at: https://doi.org/10.2307/2757324.

Kim, S.S. (2018) 'Chinese Foreign Policy in Theory and Practice', in *China and the World*. Kim, Samuel. New York: Routledge, pp. 3–33. Available at: https://doi.org/10.4324/9780429501708-1.

Kim, Y. (2008) 'Intra-Party Politics and Minority Coalition Government in South Korea', *Japanese Journal of Political Science*, 9(3), pp. 367–389. Available at: https://doi.org/10.1017/S1468109908003186.

Kim, Y. (2018a) 'Hell Joseon: Polarization and Social Contention in a Neo-liberal Age', in *Korea's Quest for Economic Democratization*. Cham: Springer International Publishing, pp. 1–20. Available at: https://doi.org/10.1007/978-3-319-57066-2_1

Kim, Y. (2018b) 'Conclusion: The Promise of People-Led Change and the Prospect of a New Transition', in *Korea's Quest for Economic Democratization*. Cham: Springer International Publishing, pp. 281–296. Available at: https://doi.org/10.1007/978-3-319-57066-2_12.

Kirshner, J. (2012) 'The tragedy of offensive realism: Classical realism and the rise of china', *European Journal of International Relations*, 18(1), pp. 53–75. Available at: https://doi.org/10.1177/1354066110373949.

Knecht, T. and Weatherford, M.S. (2006) 'Public Opinion and Foreign Policy: The Stages of Presidential Decision Making', *International Studies Quarterly*, 50(3), pp. 705–727. Available at: https://doi.org/10.1111/j.1468-2478.2006.00421.x.

Knight, J. and Xue, J. (2006) 'How High is Urban Unemployment in China?', *Journal of Chinese Economic and Business Studies*, 4(2), pp. 91–107. Available at: https://doi.org/10.1080/14765280600736833.

Ko, J. (2023) *Popular Nationalism and War*. New York: Oxford University Press. doi: 10.1093/oso/9780197684566.001.0001.

Kowalski, P., Büge, M., Sztajerowska, M., and Egeland, M. (2013) *State-Owned Enterprises: Trade Effects and Policy Implications*. Paris: OECD Publishing. Available at: https://doi.org/https://doi.org/10.1787/18166873.

Krasner, S.D. (1978) *Defending the National Interest:Raw Materials Investments and U.S. Foreign Policy*. Princeton: Princeton University Press. Available at: https://doi.org/doi:10.1515/9780691219516.

Kuik, C. (2017) 'Explaining the contradiction in China's South China sea policy: Structural drivers and domestic imperatives', *China: An International Journal*, 15(1), pp. 163–186.

Kwan, C. (2020) 'China's Unfinished Ownership Reform: Privatization and a Fair and Competitive Environment Remain to be Achieved', *Public Policy Review*, 16(3), pp. 1–26.

Lai, H. (2010) *The Domestic Sources of China's Foreign Policy*. London: Routledge. Available at: https://doi.org/10.4324/9780203858479.

Lai, H. and Kang, S. (2014) 'Domestic Bureaucratic Politics and Chinese Foreign Policy', *Journal of Contemporary China*, 23(86), pp. 294–313. Available at: https://doi.org/10.1080/10670564.2013.832531.

Lam, W. (2012) 'The Maoist Revival and the Conservative Turn in Chinese Politics', *China Perspectives*, 2012(2), pp. 5–15. Available at: https://doi.org/10.4000/chinaperspectives.5851.

Lampton, D.M. (2014) 'China's foreign policy', *Great Decisions*, pp. 73–84. Available at: http://www.jstor.org/stable/43681117.

Lanteigne, M. (2008) 'China's Maritime Security and the "Malacca Dilemma"', *Asian Security*, 4(2), pp. 143–161. Available at: https://doi.org/10.1080/14799850802006555.

Lanteigne, M. (2009) *Chinese Foreign Policy: An Introduction*. London: Routledge. doi: 10.4324/9780203881217.

Lapadat, J. (2010) 'Thematic Analysis', in A. Mills, G. Durepos, and E. Wiebe (eds) *Encyclopedia of Case Study Research*. Thousand Oaks: SAGE Publications, pp. 926–927. Available at: https://doi.org/10.4135/9781412957397.n342.

Larson, D.W. and Shevchenko, A. (2019) *Quest for Status: Chinese and Russian Foreign Policy*. New Haven: Yale University Press. Available at: https://doi.org/10.12987/9780300245158.

lawinfochina (1999) *The Decision of the Central Committee of The Communist Party of China on Major Issues Concerning the Reform and Development of State-Owned Enterprises* 22 September. Available at: http://www.lawinfochina.com/display.aspx?lib=law&id=991&CGid (Accessed: 16 November 2022).

Lebow, R. (2016) *National identities and international relations*. Cambridge: Cambridge University Press. Available at: https://doi.org/10.1017/CBO9781316710982.

Lechner, S. (2022) 'Anarchy in International Relations', *Oxford Research Encyclopedia of International Studies* [Preprint]. Oxford University Press. Available at: https://doi.org/10.1093/acrefore/9780190846626.013.79.

Leeds, B.A. and Mattes, M. (2022) *Domestic Interests, Democracy, and Foreign Policy Change*, *Elements in International Relations*. Cambridge: Cambridge University Press. Available at: https://doi.org/10.1017/9781009037938.

Legro, J.W. (2007) 'What China will want: The future intentions of a rising power', Perspectives on Politics, 5(3), pp. 515–534. Available at: https://doi.org/10.1017/S1537592707071526.

Legro, J. W. and Moravcsik, A. (1999) 'Is Anybody Still a Realist?', *International Security*, 24(2), pp. 5–55. Available at: http://www.jstor.org/stable/2539248.

Leibold, J. (2010) 'More than a category: Han supremacism on the Chinese internet', China Quarterly, (203), pp. 539–559. Available at:https://doi.org/10.1017/S0305741010000585.

Li, Q. (2018) 'The Second Great Debate Revisited: Exploring the Impact of the Qualitative-Quantitative Divide in International Relations', International Studies Review, 21(3), pp. 447–476. Available at: https://doi.org/10.1093/isr/viy009.

Li, W. (2019). '稳中求进推动经济高质量发展 ——国务院发展研究中心主任李伟谈2019年经济热点问题| wen zhong qiu jin tui dong jing ji gao zhi liang fa zhan——guo wu yuan fa zhan yan jiu zhong xin zhu ren li wei tan 2019 nian jing ji re dian wen ti |Seeking progress while maintaining stability in promoting high-quality economic development——Li Wei, Director of the Development Research Center of the State Council, discusses hotspot economic issues in 2019'. *Gov.cn.* 2 March. Available at: http://www.gov.cn/xinwen/2019-03/02/content_5369866.htm (Accessed: 20 November 2022).

Li, X., and Zeng, K. (2019). 'To join or not to join? State ownership, commercial interests, and China's belt and road initiative'. *Pacific Affairs*, *92*(1), 5–26. https://doi.org/10.5509/20199215

Li, X. (2022). 'What's Next for the Long-Awaited China-Japan-South Korea FTA?' *The Diplomat*. 28 January. Available at: https://thediplomat.com/2022/01/whats-next-for-the-long-awaited-china-japan-south-korea-fta/ (Accessed: 16 May 2022)

Liao, N.C.C. (2016) 'The sources of China's assertiveness: the system, domestic politics or leadership preferences?', *International Affairs*, 92(4), pp. 817–833. Available at: https://doi.org/10.1111/1468-2346.12655.

Liberman, P. (1996) 'Trading with the Enemy: Security and Relative Economic Gains', *International security*, 21(1), pp. 147–175. doi: 10.1162/isec.21.1.147.

Lin, K. J., Lu, X., Zhang, J., and Zheng, Y. (2020) 'State-owned enterprises in China: A review of 40 years of research and practice', *China Journal of Accounting Research*, 13(1), pp. 31–55. Available at: https://doi.org/https://doi.org/10.1016/j.cjar.2019.12.001.

Lin, Y. (2018) 'lin yi fu: 'yi dai yi lu' chang yi ke yi zuo wei zhong hua min zuo de wei da fu xing de zhua shou |林毅夫：“一带一路”倡议可以作为中华民族的伟大复兴的抓手| Yifu Lin: The OBOR initiative is an important step for the great rejuvenation of the Chinese nation', *China.com*. 26 September Available at: http://www.china.com.cn/opinion/think/2018-09/26/content_64093360.htm (Accessed: 21 April 2022).

Lin, Z. (2019) 'Xi Jinping's "major country diplomacy": The impacts of China's growing capacity', *Journal of Contemporary China*, 28(115), pp. 31–46. Available at: https://doi.org/10.1080/10670564.2018.1497909.

Liu, H. and Jiang, D. (2018) 'The Belt and Road Initiative'. In *Proceedings of the Fifth International Conference on Public Management: International Collaboration for Innovated Public Governance (ICPM 2018).* Available at: https://doi.org/10.2991/icpm-18.2018.6.

Liu, M. (2010) *zhong guo meng: hou mei guo shi dai de da guo si wei he zhan lue dui jue | 中国梦：后美国时代的大国思维和战略对决| The China Dream: Great Power Thinking and Strategic Posture in the Post-American Era: Great Power Thinking and Strategic Posture in the Post-American Era*. Beijing: China Friendship Publishing Co.

Liu, R. and Liu, F. (2017) 'Contending Ideas on China's Non-Alliance Strategy', *The Chinese Journal of International Politics*, 10(2), pp. 151–171. Available at: https://doi.org/10.1093/CJIP/POX003.

Liu, W. and Dunford, M. (2016) 'Inclusive globalization: unpackiang China's Belt and Road Initiative', *Area Development and Policy*, 1(3), pp. 323–340. Available at: https://doi.org/10.1080/23792949.2016.1232598.

Liu, X. and Shi, Y. (2021) fa hui guo you jing ji zai chuang xin xing guo jia jian she he qian zhan xing zhan lue xing chan ye ling yu de yin ling zuo yong |'发挥国有经济在创新型国家建设和前瞻性战略性产业领域的引领作用|Make the state-owned economy plays the leading role in the construction of an innovative country and in the field of forward-looking strategic industries', *现代国企研究| Dang dai qi ye yan jiu| Modern SOE Research*, 5, pp. 22–27.

Lu, N. (2018) *The Dynamics of Foreign-Policy Decision making in China*. Second Edition. New York: Routledge. doi: 10.4324/9780429494529.

Lumsdaine, D. (1996) 'The intertwining of international and domestic politics', *Polity*, 29(2), pp. 299–303. Available at: https://doi.org/10.2307/3235305.

Lundborg, T. and Vaughan-Williams, N. (2015) 'New Materialisms, discourse analysis, and International Relations: A radical intertextual approach', *Review of International Studies*, 41(1), pp. 3–25. Available at: https://doi.org/10.1017/S0260210514000163.

Macias, A., and Kube, C. (2019). 'Chinese military conducts anti-ship ballistic missile tests in the hotly contested South China Sea'. *Cnbc.com*. July 1 Available at: https://www.cnbc.com/2019/07/01/chinese-military-conducts-missile-tests-in-the-south-china-sea.html (Accessed: 27 November 2020)

Madan, T. (2016) 'What India Thinks About China's One Belt, One Road Initiative (But Doesn't Explicitly Say)', *Brookings*. 14 March. Available at: www.brookings.edu/blog/order-from-chaos/2016/03/14/what-india-thinks-about-chinas-one-belt-one-road-initiative-but-doesnt-explicitly-say/ (Accessed: 19 May 2022).

Madhur, S. (2013) 'China-Japan-Korea FTA: A dual track approach to a trilateral agreement', *Journal of Economic Integration*, 28(3), pp. 375–392. Available at: https://doi.org/10.11130/jei.2013.28.3.375.

Malinova, O. (2021) 'Politics of Memory and Nationalism', *Nationalities Papers*, 49(6), pp. 997–1007. Available at: https://doi.org/10.1017/nps.2020.87.

Mann, C.L. (2022) 'UK monetary policy in the context of global spillovers – speech by Catherine L. Mann', *Bank of England*. 20 June. Available at: https://www.bankofengland.co.uk/speech/2022/june/catherine-l-mann-speech-at-a-market-news-international-connect-event (Accessed: 05 February 2023).

Mardell, J. (2017) 'The ' Community of Common Destiny ' in Xi Jinping ' s New Era'. *The Diplomat*. 25 October. Available at: https://thediplomat.com/2017/10/the-

community-of-common-destiny-in-xi-jinpings-new-era/ (Accessed: 16 December 2019).

Martin, P. (2021) *China's Civilian Army: The Making of Wolf Warrior Diplomacy*. Oxford: Oxford University Press.

McBride, J., Berman, N. and Chatzky, A. (2023) 'China's Massive Belt and Road Initiative', *Council on Foreign Relations*. 2 February. Available at: https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative (Accessed: 07 March 2023).

McBride, J., Chatzky, A. and Siripurapu, A. (2021) 'What's Next for the Trans-Pacific Partnership (TPP)?', *Council on Foreign Relations*. 20 September. Available at: https://www.cfr.org/backgrounder/what-trans-pacific-partnership-tpp (Accessed: 26 May 2022).

Mearsheimer, J. (2006) 'China's Unpeaceful Rise', *Current History*, 105(690), pp. 160–162.

Mearsheimer, J. (2001) *The Tragedy of Great Power Politics*. New York: Norton Company. Available at: https://doi.org/10.2307/20050342.

Mearsheimer, J.J. (2018) *The great delusion: liberal dreams and international realities*. New Haven: Yale University Press.

Meibauer, G. *et al.* (2021) 'Forum: Rethinking Neoclassical Realism at Theory's End', *International Studies Review*, 23(1), pp. 268–295. doi: 10.1093/isr/viaa018.

Member of Chinese Communist Party website. (2013) 'guo zi tou" ling dao xiao zu xing ti |" 国字头"领导小组兴替|" The rise and fall of national leading groups', *12371.cn*, 28 August. Available at: https://news.12371.cn/2013/08/28/ARTI1377670753702348.shtml (Accessed: 28 May 2022).

Mercer, J. (1995) 'Anarchy and identity', *International Organization*. 2009/05/22, 49(2), pp. 229–252. Available at: https://doi.org/10.1017/S0020818300028381.

Mesquita, B. de and Lalman, D. (1992) *War and reason: domestic and international imperatives*, *Yale University Press*. New Haven: Yale University Press. Available at: https://doi.org/10.5860/choice.30-2354.

Miao, J. (2015) 'Expectations and Realities: Managing the Risks of the "Belt and Road" Initiative', *China Quarterly of International Strategic Studies*, 01(03), pp. 497–522. Available at: https://doi.org/10.1142/S2377740015500244.

Miao, T. (2016) shen ru guan che luo shi 《zhong guo zhi zao 2025》|) '深入贯彻落实《中国制造 2025》| Thoroughly implementing "Made in China 2025", in 国家制造强国建设战略咨询委员会|National Construction Strategy Advisory Committee of Manufacturing Strength the State (ed.) *《中国制造 2025》解读——省部级干部专题研讨班报告集|Collection of Seminar Reports of Provincial and Ministerial Cadres*

on the Interpretation of 'Made in China 2025'. Beijing: 电子工业出版社|Publishing House of Electronics Industry, pp. 1–24.

Mill, J.S. (2011) 'Of the Four Methods of Experimental Inquiry', in *A System of Logic, Ratiocinative and Inductive: Being a Connected View of the Principles of Evidence, and the Methods of Scientific Investigation*. Cambridge: Cambridge University Press (Cambridge Library Collection - Philosophy), pp. 450–479. Available at: https://doi.org/10.1017/CBO9781139149839.024.

Miller, A. (2011) 'Dilemmas of globalization and governance', in R. MacFarquhar (ed.) *The Politics of China: Sixty Years of The People's Republic of China*. 3rd edn. Cambridge: Cambridge University Press, pp. 528–600. Available at: https://doi.org/10.1017/CBO9780511842405.010.

Miller, A. (2015) 'The trouble with factions', *China Leadership Monitor*, 46, pp. 1–12.

Milner, H. (1997) *Interests, Institutions, and Information: Domestic Politics and International Relations*. Princeton: Princeton University Press.

Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China. (2015) *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road*. 28 March. Available at: https://www.fmprc.gov.cn/eng/topics_665678/2015zt/xjpcxbayzlt2015nnh/201503/t20150328_705553.html (Accessed: 12 October 2021).

Mintz, A. (2004) 'How do Leaders Make Decisions? A Poliheuristic Perspective', *Journal of Conflict Resolution*, 48(1), pp. 3–13. Available at: https://doi.org/10.1177/0022002703261056.

Mintz, A. and Chatagnier, J.T. (2020) 'Poliheuristic Theory: A Middle Ground Between Rational and Cognitive Decision Theories', in *Oxford Research Encyclopedia of Politics*. Oxford: Oxford University Press. Available at: https://doi.org/10.1093/acrefore/9780190228637.013.977.

Mintz, A., Geva, N., Redd, S. B., and Carnes, A. (1997) 'The Effect of Dynamic and Static Choice Sets on Political Decision Making: An Analysis Using the Decision Board Platform', *American Political Science Review*, 91(3), pp. 553–566. Available at: https://doi.org/10.2307/2952074.

Mintz, A., Redd, S.B. and Tal-Shir, E. (2017) 'The Poliheuristic Theory of Political Decision-Making', in *Oxford Research Encyclopedia of Politics*. Oxford: Oxford University Press. Available at: https://doi.org/10.1093/acrefore/9780190228637.013.302.

Minzner, C. (2018) *The End of an Era: How China's Authoritarian Revival is Undermining its Rise*, *Journal of Chinese Political Science*. Oxford: Oxford University Press. Available at: https://doi.org/10.1007/s11366-020-09676-6.

Miskimmon, A., O'Loughlin, B., and Roselle, L. (2014) *Strategic narratives communication power and the new world.* New York: Routledge.

Mitchel, P. (2003) *Evangelicalism and national identity in Ulster, 1921-1998*. Oxford: Oxford University Press.

Mitchell, S.M.L. and Hensel, P.R. (2007) 'International institutions and compliance with agreements', *American Journal of Political Science*, 51(4), pp. 721–737. Available at: https://doi.org/10.1111/J.1540-5907.2007.00277.X.

Mochtak, M. and Turcsanyi, R. Q. (2021) 'Studying Chinese Foreign Policy Narratives: Introducing the Ministry of Foreign Affairs Press Conferences Corpus', *Journal of Chinese Political Science*, 26(4), pp. 743–761. doi: 10.1007/s11366-021-09762-3.

Moe.gov.cn (2016) *jiao yu bu guan yu yin fa《tui jin gong jian 'yi dai yi lu' jiao yu xing dong》de tong zhi |教育部关于印发《推进共建"一带一路"教育行动》的通知| The Ministry of Education issued the 'Promoting the OBOR Educational Action' Notice*. 13 July. Available at: http://www.moe.gov.cn/srcsite/A20/s7068/201608/t20160811_274679.html (Accessed: 13 April 2022).

Mofcom.gov (2007) *2006 nian dui wai jing ji he zuo fa zhan jian jie|2006年对外经济合作发展简介|Brief Introduction to Foreign Economic Cooperation and Development in 2006*, 17 January. Available at: http://hzs.mofcom.gov.cn/article/aa/200701/20070104278161.shtml (Accessed: 05 December 2023).

Mof.gov (2020) *guan yu 2019 nian zhong yang he di fang yu suan zhi xing qing kuang yu 2020 nian zhong yang he di fang yu suan cao an de bao gao |关于2019年中央和地方预算执行情况与2020年中央和地方预算草案的报告| Report on the Implementation of the Central and Local Budgets in 2019 and the Draft of Central and Local Budgets in 2020*, 30 May. Available at: http://www...cn/gkml/caizhengshuju/202005/t20200530_3523307.htm (Accessed: 05 January 2023).

Monroe, B.L. and Schrodt, P.A. (2008) 'Introduction to the special issue: The statistical analysis of political text', *Political Analysis*, 16(4), pp. 351–355. Available at: https://doi.org/10.1093/pan/mpn017.

Monteiro, N.P. and Ruby, K.G. (2009) 'IR and the false promise of philosophical foundations', *International Theory*, 1(1), pp. 15–48. Available at: https://doi.org/10.1017/S1752971909000050.

Moravcsik, A. (1993) 'Introduction: Integrating International and Domestic Theories of International Bargaining', in P.B. Evans, H.K. Jacobson, and R.D. Putnam (eds) *Double-Edged Diplomacy: International Bargaining and Domestic Politics*. Berkeley: University of California Press, pp. 3–42.

Moravcsik, A. (2014) 'Trust, but Verify: The Transparency Revolution and Qualitative International Relations', *Security Studies*, 23(4), pp. 663–688. Available at: https://doi.org/10.1080/09636412.2014.970846.

Morgenthau, H.J. (1951) *In defence of the national interest: A critical examination of American foreign policy*. New York: Alfred A. Knopf.

Morin, J.F. and Paquin, J. (2018) *Foreign policy analysis: A toolbox*, *Foreign Policy Analysis: A Toolbox*. Cham: Springer International Publishing AG. Available at: https://doi.org/10.1007/978-3-319-61003-0.

Nathan, A.J. (1973) 'A Factionalism Model for CCP Politics', *The China Quarterly*, 53, pp. 34–66. Available at: https://doi.org/10.1017/s0305741000500022.

Nathan, A.J. (2020) 'The puzzle of authoritarian legitimacy', *Journal of Democracy*, 31(1), pp. 158–168. Available at: https://doi.org/10.1353/jod.2020.0013.

Navon, E. (2001) 'The "third debate" revisited', *Review of International Studies*. 2001/11/26, 27(4), pp. 611–625. Available at: https://doi.org/10.1017/S0260210501006118.

Ndrc.gov.cn (2016) *The 13th Five-Year Plan for Economic and Social Development of the People's Republic of China*. Available at: https://en.ndrc.gov.cn/policies/202105/P020210527785800103339.pdf (Accessed: 07 February 2023).

Ndrc.gov.cn (2017) *Guo wu yuan yin fa 《guan yu kuo da dui wai kai fang ji ji li yong wai zi ruo gan cuo shi de tong zhi》|国务院印发《关于扩大对外开放积极利用外资若干措施的通知》|The State Council issued the "Notice on Expanding Opening-up and Actively Utilising Foreign Investment*. 24 January. Available at: https://www.ndrc.gov.cn/fggz/lywzjw/wstz/201701/t20170124_1046250.html (Accessed: 18 December 2022).

Ndrc.gov.cn (2021) *xi jin ping zai di san ci 'yi dai yi lu' jian she zuo tan hui shang qiang diao yi gao biao zhun ke chi xu hui min sheng wei mu biao ji xu tui dong gong jian 'yi dai yi lu' gao zhi liang fa zhan han zheng zhu chi |习近平在第三次"一带一路"建设座谈会上强调 以高标准可持续惠民生为目标 继续推动共建"一带一路"高质量发展 韩正主持|Xi Jinping stresses at the third symposium on 'One Belt, One Road' development that the goal is to continue to promote the high-quality development of the 'One Belt, One Road' with high standards*. 27 February. Available at: https://www.ndrc.gov.cn/xwdt/ztzl/xhyshj/ldjh/202112/t20211227_1309978.html?code=&state=123 (Accessed: 07 May 2022).

Neac.gov.cn (2015) *xi jin ping zai di er ci zhong yang xin jiang gong zuo zuo tan hui shang fa biao zhong yao jiang hua |习近平在第二次中央新疆工作座谈会上发表重要讲话|Xi Jinping Delivers Important Speech at the Second Central Xinjiang Work Symposium*, 28 May Available at: https://www.neac.gov.cn/seac/c100500/201405/1085610.shtml (Accessed: 26 May 2022).

Neumann, I.B. (2008) 'Discourse Analysis', in A. Klotz and D. Prakash (eds) *Qualitative Methods in International Relations: A Pluralist Guide*. London: Palgrave Macmillan Limited, pp. 61–77.

The New York Times. (2015) *China Aims for 6.5% Economic Growth Over Next 5 Years, Xi Says*, 4 November. Available at:

https://www.nytimes.com/2015/11/04/world/asia/china-economic-growth-xi.html (Accessed: 05 August 2022).

News.cntv.cn (2015) *san ge jiao du tou shi 'yi dai yi lu' |三个角度透视"一带一路"| Three perspectives on the 'Belt and Road'*, 29 March. Available at: http://news.cntv.cn/2015/03/29/ARTI1427577622270878.shtml (Accessed: 16 May 2022).

Nie, W. (2018) 'China's domestic strategic debate and confusion over the South China Sea issue', *The Pacific Review*, 31(2), pp. 188–204. Available at: https://doi.org/10.1080/09512748.2017.1370608.

Nuechterlein, D.E. (1976) 'National interests and foreign policy: A conceptual framework for analysis and decision-making', *British Journal of International Studies*, 2(3), pp. 246–266. Available at: https://doi.org/10.1017/S0260210500116729.

Onuf, N. (2002) 'Institutions, intentions and international relations', *Review of International Studies*, 28(2), pp. 211–228. Available at: https://doi.org/10.1017/S0260210502002115.

Ren, B., Li, M., Wang, S., Ru, S., Liu, J., Xu, Z., Gao, Y., Wang Cong, Zhang, Y., Ma, L., and Huang, G. (2020) *si chou zhi lu jing ji dai yu xi bu da kai fa xin ge ju |丝绸之路经济带与西部大开发新格局| The Silk Road Economic Belt and the New Pattern of Western Development in China*. Beijing: Social Science Literature Publishing House.

Obor.nea.gov.cn (2019) *Cooperation Principles and Concrete Actions of the Belt and Road Energy Partnership (BREP)*, *Belt and Road Energy Partnership*. 25 April. Available at: http://obor.nea.gov.cn/detail/8210.html (Accessed: 19 April 2022).

Odgaard, L. (2017) 'Coexistence in China's Regional and Global Maritime Security Strategies: Revisionism by Defensive Means', in A. Toje (ed.) *Will China's Rise Be Peaceful?: The Rise of a Great Power in Theory, History, Politics , and the Future*. Oxford: Oxford University Press, pp. 253–276. Available at: https://doi.org/10.1093/oso/9780190675387.003.0013.

Odgaard, L. (2022) 'Home versus abroad: China's differing sovereignty concepts in the South China Sea and the Arctic', *Cambridge Review of International Affairs*, pp. 1–19. Available at: https://doi.org/10.1080/09557571.2022.2078278.

Oecd.org (2009) *State Owned Enterprises in China: Reviewing the Evidence*. 26 January. Available at: https://www.oecd.org/daf/ca/corporategovernanceofstate-ownedenterprises/42095493.pdf (Accessed: 09 December 2022).

Ohnesorge, H.W. (2016) 'A Sea of Troubles: International Law and the Spitsbergen Plus Approach to Conflict Management in the South China Sea', in E. Fels and T.-M. Vu (eds) *Power Politics in Asia's Contested Waters: Territorial Disputes in the South China Sea*. Cham: Springer International Publishing, pp. 25–55. Available at: https://doi.org/10.1007/978-3-319-26152-2_2.

Oppermann, K. and Brummer, K. (2017) 'Veto Player Approaches in Foreign Policy Analysis', in *Oxford Research Encyclopedia of Politics*. Oxford: Oxford University Press. Available at: https://doi.org/10.1093/acrefore/9780190228637.013.386.

Ozkececi-Taner, B. (2006) 'Reviewing the Literature on Sequential/Dynamic Foreign Policy Decision Making', *International Studies Review*, 8(3), pp. 545–554. Available at: https://doi.org/10.1111/j.1468-2486.2006.00624_2.x.

Ozkececi-Taner, B. (2017) 'Domestic Politics and Foreign Policy', in *Oxford Research Encyclopedia of Politics*. Oxford University Press. Available at: https://doi.org/10.1093/acrefore/9780190228637.013.414.

Panda, A. (2020) 'US Conducts Freedom of Navigation Operation Near China-Held Features in Spratlys' *The Diplomat*, 15 July. Available at: https://thediplomat.com/2020/07/us-conducts-freedom-of-navigation-operation-near-china-held-features-in-spratlys/ (Accessed: 14 February 2021).

Patrick, J. and Zhang, E. (2005) 'Chinese Choices: A Poliheuristic Analysis of Foreign Policy Crises, 1950-1996', *Foreign Policy Analysis*, 1(1), pp. 31–54.

Patterson, M. and Monroe, K.R. (1998) 'Narrative in political science', *Annual Review of Political Science*, 1(1996), pp. 315–331. Available at: https://doi.org/10.1146/annurev.polisci.1.1.315.

Peacekeeping.un.org (2023) *Troop and police contributors | United Nations Peacekeeping*. Available at: https://peacekeeping.un.org/en/troop-and-police-contributors (Accessed: 09 April 2023).

Pei, M. (2015) 'The Twilight of Communist Party Rule in China', *The American Interest*. 12 November. Available at: https://www.the-american-interest.com/2015/11/12/the-twilight-of-communist-party-rule-in-china/ (Accessed: 05 August 2022).

Peltonen, H. (2017) 'A tale of two cognitions: The Evolution of Social Constructivism in International Relations', *Revista Brasileira de Política Internacional*, [Online] 60(1). Available at: https://doi.org/10.1590/0034-7329201700105.

Peng, G. (1997) 'Deng Xiaoping's Strategic Thought', in M. Pillsbury (ed.) *Chinese views of future warfare*. Washington, D.C.: National Defense University Press, pp. 3–10. Available at: https://fas.org/nuke/guide/china/doctrine/chinview/chinapt1.html (Accessed: 29 September 2020).

People.com.cn (2013) *wai jiao bu fa yan ren qu shi: ceng bei ji gai pian an shi biao tai tai ruan |外交部发言人趣事：曾被寄钙片暗示表态太软| An interesting fact about the Ministry of Foreign Affairs: the spokesperson said they used to receive calcium tablets from the people, implying that the Ministry of Foreign Affairs was too soft*. Available at: http://politics.people.com.cn/n/2013/1216/c1001-23846680.html (Accessed: 29 July 2021).

People.com.cn (2014) *xi jin ping: shi xian zhong hua min zu wei da fu xing de zhong guo meng |习近平：实现中华民族伟大复兴的中国梦| Xi Jinping: Realizing the Chinese Dream of the Great Rejuvenation of the Chinese Nation*, 1 September Available at:

http://theory.people.com.cn/n/2014/0901/c40531-25581189.html (Accessed: 03 September 2021).

People.com.cn (2015) *si lu ji jin dian liang 'yi dai yi lu' xin niu shi zai tian qiang dong li |丝路基金点亮"一带一路"新牛市再添强动力| The Silk Road Fund Lights up the 'Belt and Road', Stock Market Gains Strong Motivation*. 17 February Available at: http://finance.people.com.cn/stock/n/2015/0217/c67815-26578470.html (Accessed: 29 April 2022).

People.com.cn (2021) *guo zi wei: jia da li du zhi chi ke ji chuang xin, jian chi neng gei jin gei、jin gei ying gei|国资委：加大力度支持科技创新 坚持能给尽给、应给尽给|State-owned Assets Supervision and Administration Commission: Enhancing the efforts to support technological innovation and insisting on giving what can be given and what should be given*. 23 February. Available at: http://finance.people.com.cn/n1/2021/0223/c1004-32034927.html (Accessed: 05 November 2022).

People.com.cn (2022a) *ti shi 、zeng xiao、you jie gou.....shi nian lai ,guo you qi ye gao zhi liang fa zhan cheng se geng zu |提质、增效、优结构……十年来，国有企业高质量发展成色更足| Improve quality, increase efficiency, optimize structure... In the past ten years, the high-quality development of state-owned enterprises has become better*. 17 June. Available at: http://finance.people.com.cn/n1/2022/0617/c1004-32449310.html (Accessed: 29 November 2022).

People.com.cn (2022b) *Cu Gaoxiao Biyesheng Jiuye Jin 90 Jia Yangqi Qidong Xiaji Zhaopin|促高校毕业生就业 近90家央企启动夏季招聘|Nearly 90 central SOEs start summer recruitment to promote the employment of graduates*. 21 July. Available at: http://finance.people.com.cn/n1/2022/0721/c444648-32481613.html (Accessed: 29 October 2022).

Phi, N., Taghizadeh-Hesary, F., Tu, C., Yoshino, N., and Kim, C. (2021) 'Performance Differential between Private and State-owned Enterprises: An Analysis of Profitability and Solvency', *Emerging Markets Finance and Trade*, 57(14), pp. 3913–3928. Available at: https://doi.org/10.1080/1540496X.2020.1809375.

Phillips, T., Holmes, O. and Bowcott, O. (2016) 'Beijing rejects tribunal's ruling in South China Sea case', *The Guardian*, 12 July. Available at: https://www.theguardian.com/world/2016/jul/12/philippines-wins-south-china-sea-case-against-china (Accessed: 27 February 2021).

Poh, A. and Li, M. (2017) 'A China in Transition: The Rhetoric and Substance of Chinese Foreign Policy under Xi Jinping', *Asian Security*, 13(2), pp. 84–97. Available at: https://doi.org/10.1080/14799855.2017.1286163.

Porta, D. della (2008) 'Comparative analysis: case-oriented versus variable-oriented research', in D. Della Porta and M. Keating (eds) *Approaches and Methodologies in the Social Sciences*. Cambridge: Cambridge University Press, pp. 198–222. Available at: https://doi.org/10.1017/CBO9780511801938.012.

Potter, P. (2017) *Methods of Foreign Policy Analysis*, *Oxford Research Encyclopedia of International Studies*. Wiley-Blackwell. Available at: https://doi.org/10.1093/acrefore/9780190846626.013.34.

Pouliot, V. (2004) 'The essence of constructivism', *Journal of International Relations and Development*, 7(3), pp. 319–336. Available at: https://doi.org/10.1057/palgrave.jird.1800022.

Prasad, E. (2020) 'China Wins in Trump's Trade Deal.', *The New York Times*, p. A23(L)-A23(L). 16 January. Available at: https://go-gale-com.ezproxy.is.ed.ac.uk/ps/i.do?p=AONE&sw=w&issn=03624331&v=2.1&it=r&id=GALE%7CA611406055&sid=googleScholar&linkaccess=fulltext (Accessed: 09 December 2022).

Prizel, I. (1998) *National Identity and Foreign Policy: Nationalism and Leadership in Poland, Russia, and Ukraine*. Cambridge: Cambridge University Press. Available at: https://doi.org/10.2307/20049324.

Pye, L.W. (1993) 'How China's Nationalism was Shanghaied', *The Australian journal of Chinese affairs*, 29(29), pp. 107–133. Available at: https://doi.org/10.2307/2949954.

Qin, Y. (2014) 'Continuity through change: Background knowledge and China's international strategy', *Chinese Journal of International Politics*, 7(3), pp. 285–314. Available at: https://doi.org/10.1093/cjip/pou034.

Qin, Y. (2016) 'A relational theory of world politics', *International Studies Review*, 18(1), pp. 33–47. Available at: https://doi.org/10.1093/isr/viv031.

Raditio, K.H. (2015) 'China's Shifting Behaviour in the South China Sea: A Defensive Realist Perspective', *American Journal of Chinese Studies*, 22(2), pp. 309–328. Available at: http://www.jstor.org/stable/44289102.

Raditio, K.H. (2019) *Understanding China's behaviour in the South China sea: A Defensive Realist Perspective*. Singapore: Palgrave Macmillan. Available at: https://doi.org/10.1007/978-981-13-1283-0/COVER.

Rajagopalan, M. (2013) 'Vested interests won't block China's reforms: party official', *Reuters*, 22 November. Available at: https://www.reuters.com/article/us-china-reforms-idUSBRE9AL0G120131122 (Accessed: 03 December 2022).

Reformdata.org (2011) *wen jiabao jiu zheng zhi ti zhi gai ge tan wu dian kan fa|温家宝就政治体制改革谈五点看法|Wen Jiabao states five points on political system reform*. 14 September. Available at: http://www.reformdata.org/2011/0914/22142.shtml. (Accessed: 18 December 2022).

Reformdata.org (2012) *guo qi gai ge qian zou (1978nian-1992nian): kuo quan rang li yu cheng bao zhi |国企改革前奏（1978年-1992年）：扩权让利与承包制| Prelude to the Reform of State-owned Enterprises (1978-1992): Expansion of Powers and Rights and the Contracting System*. 19 May. Available at: http://www.reformdata.org/2012/0519/5338.shtml (Accessed: 28 November 2022).

Reily, R.C. (2010) 'Process Tracing', in A. Mills, G. Durepos, and E. Wiebe (eds) *Encyclopedia of Case Study Research*. Thousand Oaks: Sage Publication, pp. 735–736. Available at: https://doi.org/10.4135/9781412957397

Reus-Smit, C (2005) 'Constructivism', in S. Burchill et al. (eds) *Theories of International Relations*. 3rd edn. New York: Palgrave Macmillan, pp. 188–212.

Reuters (2010) *Japan refuses China demand for apology in boat row*, 25 September. Available at: https://www.reuters.com/article/uk-japan-china-idUKTRE68N09H20100925 (Accessed: 02 February 2021).

Reuters (2011a) Tajikistan says ends century-old China border row, 12 January. Available at: https://www.reuters.com/article/us-tajikistan-china-border-idUSTRE70B45A20110112 (Accessed: 09 August 2021).

Reuters (2011b) China, ASEAN set 'guidelines' on sea row, but no deal expected, 20 July. Available at: https://www.reuters.com/article/asean-southchinasea-idINL3E7IK0M620110720 (Accessed: 13 March 2021).

Reuters (2011c) China accuses Vietnam in escalating sea tensions, 10 June. Available at: https://www.reuters.com/article/us-china-vietnam/china-accuses-vietnam-in-escalating-sea-tensions-idUSTRE75904N20110610 (Accessed: 09 April 2021).

Reuters (2012) China's Xi praises Hu for voluntarily giving up power, 17 November. Available at: https://www.reuters.com/article/us-china-military-idUSBRE8AG0A820121117 (Accessed: 24 May 2022).

Reuters (2016) Pakistan army chief accuses India of undermining China investment corridor, 13 April. Available at: https://www.reuters.com/article/us-pakistan-india-port-idUSKCN0X92JQ (Accessed: 21 May 2022).

Reuters (2017) President Xi says China will not export its political system, 1 December Available at: https://www.reuters.com/article/us-china-parties/president-xi-says-china-will-not-export-its-political-system-idUSKBN1DV4UM (Accessed: 09 February 2023).

Reuters (2018a) *China appears to relax North Korea sanctions: report to U.S. Congress,* 15 November. Available at: https://www.reuters.com/article/idUSKCN1NJ387/ (Accessed: 09 December 2023).

Reuters (2018b) Malaysia's Mahathir cancels China-backed rail, pipeline projects, 21 August. Available at: https://www.reuters.com/article/us-china-malaysia-idUSKCN1L60DQ (Accessed: 09 June 2022).

Reuters (2019a) U.S., Japan, India and Philippines challenge Beijing with naval drills in the South China Sea, 9 May. Available at: https://www.reuters.com/article/us-southchinasea-usa-japan-india/us-japan-india-and-philippines-challenge-beijing-with-naval-drills-in-the-south-china-sea-idUSKCN1SF0LS (Accessed: 28 March 2021).

Reuters (2019b) China says U.S. demand on its state-owned enterprises is 'invasion' on economic sovereignty, 25 May. Available at: https://www.reuters.com/article/us-usa-trade-china-idUSKCN1SV0I7 (Accessed: 19 November 2022).

Reuters (2020a) Europe, U.S. should say 'no' to China's 'wolf-warrior' diplomacy - EU envoy, 10 December. Available at: https://www.reuters.com/article/us-china-eu-usa/europe-u-s-should-say-no-to-chinas-wolf-warrior-diplomacy-eu-envoy-idUSKBN28K0JS (Accessed: 16 August 2022).

Reuters (2020b) What's in the U.S.-China Phase 1 trade deal, 15 January. Available at: https://www.reuters.com/article/us-usa-trade-china-details-factbox-idUSKBN1ZE2IF (Accessed: 17 December 2022).

Reuters (2020c) Equality key to rescuing U.S.-China business ties: U.S. business lobby, 30 April. Available at: https://www.reuters.com/article/us-usa-trade-china-idUSKBN22C2RL (Accessed: 10 November 2022).

Rfa.org (2005) *China, Philippines, Vietnam Sign Joint South China Sea Oil Search Accord*. 14 March. Available at: https://www.rfa.org/english/news/business/china_vietnam_spratlys-20050314.html (Accessed: 05 January 2021).

Rikap, C. (2022) 'Becoming an intellectual monopoly by relying on the national innovation system: the State Grid Corporation of China's experience', *Research Policy*, 51(4), p.104472. Available at: https://doi.org/10.1016/j.respol.2021.104472.

Ripsman, N. M. (2017) 'Neoclassical Realism', in *Oxford Research Encyclopedia of International Studies*. Oxford: Oxford University Press. doi: 10.1093/acrefore/9780190846626.013.36.

Rmrb.egreenapple.com (2020) 'People's Daily Digital Edition (1946-2012)'. Beijing: People's Daily. Available at: http://rmrb.egreenapple.com.ezproxy.is.ed.ac.uk/ (Accessed: 05 December 2020).

Roberts, H., Cowls, J., Morley, J., Taddeo, M., Wang, V., and Floridi, L (2021) 'The Chinese approach to artificial intelligence: an analysis of policy, ethics, and regulation', *AI and Society*, 36(1), pp. 59–77. Available at: https://doi.org/10.1007/s00146-020-00992-2.

Rogin, J. (2018) 'The United States is finally confronting China's economic aggression', *The Washington Post*. 25 March. Available at: https://www.washingtonpost.com/opinions/the-united-states-is-finally-confronting-chinas-economic-aggression/2018/03/25/3e0a2188-2f72-11e8-b0b0-f706877db618_story.html (Accessed: 25 September 2022).

Rohlfing, I. (2013) 'Varieties of Process Tracing and Ways to Answer Why-Questions', *European Political Science*, 12(1), pp. 31–39. Available at: https://doi.org/10.1057/eps.2012.7.

Rolland, N. (2017) 'China's "Belt and Road Initiative": Underwhelming or Game-Changer?', *The Washington Quarterly*, 40(1), pp. 127–142. Available at: https://doi.org/10.1080/0163660X.2017.1302743.

Rosenau, J.N. (1968) 'National Interest', in D.L. Sills (ed.) *International Encyclopedia of the Social Sciences*. New York: Macmillan, pp. 34–40. Available at: https://doi.org/10.2307/3538933.

Ross, R.S. (2020) 'It's not a cold war: competition and cooperation in US–China relations', *China International Strategy Review*, 2(1), pp. 63–72. Available at: https://doi.org/10.1007/s42533-020-00038-8.

Rousseau, J.-J. (2018) 'Of the Social Contract,' in Gourevitch, V. (eds) *Rousseau: The Social Contract and Other Later Political Writings*. 2nd edn. Cambridge: Cambridge University Press (Cambridge Texts in the History of Political Thought), pp. 39–155. doi: 10.1017/9781316584606.011.

Ruan, Z. (2015) 'gou jian xin xing guo ji guan xi: chao yue li shi ying de wei lai |'构建新型国际关系：超越历史赢得未来|Building a New Type of International Relations', *International Relations Research|国际问题研究*, (2), pp. 16–30.

Ruggie, J.G. (1991) 'Embedded Liberalism Revisited: Institutions and Progress in International Economic Relations', in E. Adler and B. Crawford (eds) *Progress in Postwar International Relations*. New York: Columbia University Press, pp. 201–234.

Ruonan, L. and Feng, L. (2017) 'Contending Ideas on China's Non-Alliance Strategy', *The Chinese Journal of International Politics*, 10(2), pp. 151–171. Available at: https://doi.org/10.1093/cjip/pox003.

Ruta, M. (2018) 'Three Opportunities and Three Risks of the Belt and Road Initiative?', *The Trade Post*. 4 March. Available at: https://blogs.worldbank.org/trade/three-opportunities-and-three-risks-belt-and-road-initiative (Accessed: 01 June 2022).

Saideman, S.M. (2002) 'The Power of the Small: The Impact of Ethnic Minorities on Foreign Policy', *The SAIS Review of International Affairs*, 22(2), pp. 93–105. Available at: https://doi.org/10.1353/sais.2002.0050.

Sasac.gov.cn (2021) *hua xia shi bao: she ke yuan bao gao pi lou guo qi shi nian cheng ji dan 26 wan yi shui fei zhan quan guo 1/4 li run shang jiao bi li reng you ti sheng kong jian |华夏时报：社科院报告披露国企十年成绩单26万亿税费占全国1/4 利润上缴比例仍有提升空间| China Times: The report of the Chinese Academy of Social Sciences revealed that the ten-year report card of state-owned enterprises 26 trillion taxes and fees accounted for 1/4 of the national profits, and there is still room for improvement*. 26 September Available at: http://www.sasac.gov.cn/n4470048/n16518962/n20847067/n20847112/c20888990/content.html (Accessed: 10 December 2022).

Saunders, P. and Scobell, A. (2015) *PLA Influence on China's National Security Policymaking*, *PLA Influence on China's National Security Policymaking*. Stanford: Stanford University Press. Available at: https://doi.org/10.7249/CB550.

Schweller, R.L. (1996) 'Neorealism's status-quo bias: What security dilemma?', *Security Studies*, 5(3), pp. 90–121. Available at: https://doi.org/10.1080/09636419608429277.

Scio.gov.cn (2001) *guo you qi ye gai ge yu tuo kun san nian mu biao ji ben shi xian |国有企业改革与脱困三年目标基本实现|The three-year goal of relieving state-owned enterprises from difficulties reform has been basically achieved*, 09 January Available

at: http://www.scio.gov.cn/xwfbh/xwbfbh/wqfbh/2001/0109/Document/327763/327763.htm (Accessed: 19 October 2022).

Scio.gov.cn (2017) *National Security Committee*. 12 April. Available at: http://english.scio.gov.cn/chinafacts/2017-04/12/content_40604590.htm (Accessed: 05 September 2021).

Scmp (2016) *The South China Sea: Conflicting Claims*. Available at: https://multimedia.scmp.com/2016/southChinaSea/explore.html (Accessed: 01 March 2021).

Seawright, J. and Gerring, J. (2008) 'Case Selection Techniques in Case Study Research: A Menu of Qualitative and Quantitative Options', *Political Research Quarterly*, 61(2), pp. 294–308.

Shambaugh, D. (2004) 'China, the United States and the Evolving Order in Asia', *Journal of Foreign Affairs Review*, 78(4), pp. 47–50.

Sharma, M. (2019) 'India's Approach to China's Belt and Road Initiative—Opportunities and Concerns', *The Chinese Journal of Global Governance*, 5(2), pp. 136–152. doi: https://doi.org/10.1163/23525207-12340041.

Shepard, W. (2017) 'These 8 Companies Are Bringing The 'New Silk Road' To Life', *Forbes*. 12 March. Available at: https://www.forbes.com/sites/wadeshepard/2017/03/12/8-new-silk-road-companies-that-you-can-invest-in/?sh=62ddbfc14db9 (Accessed: 02 June 2022).

Shirk, S.L. (2008) *China: fragile superpower*. Oxford: Oxford University Press.

Shirk, S. (2014) 'The Domestic Context of Chinese Foreign Security Policies', in Pekkanen, S. M., Ravenhill, J., and Foot, R. (eds) *The Oxford Handbook of the International Relations of Asia*. Oxford: Oxford University Press, pp. 391–410. doi: 10.1093/oxfordhb/9780199916245.013.0020.

Sil, R. and Katzenstein, P.J. (2010) 'Analytic eclecticism in the study of world politics: Reconfiguring problems and mechanisms across research traditions', *Perspectives on Politics*, 8(2), pp. 411–431. Available at: https://doi.org/10.1017/S1537592710001179.

Şimşek, Ö. (2020) 'Lexicographic Decision Rule', in *Oxford Research Encyclopedia of Politics*. Oxford: Oxford University Press. Available at: https://doi.org/10.1093/acrefore/9780190228637.013.908.

Skocpol, T. (2015) *States and Social Revolutions: A Comparative Analysis of France, Russia, and China*. Cambridge: Cambridge University Press. doi: 10.1017/CBO9781316423998.

Smith, A. (1994) 'The problem of national identity: Ancient, medieval and modern?', *Ethnic and Racial Studies*, 17(3), pp. 375–399. Available at: https://doi.org/10.1080/01419870.1994.9993832.

Smith, A.D. (2011) *Nationalism: Theory, Ideology, History*. Oxford: Polity Press.

Smith, S. (2013) 'Introduction: Diversity and Disciplinarity in International Relations Theory', in T. Dunne, M. Kurki, and S. Smith (eds) *International Relations Theories Discipline and Diversity*. 3rd edn. Oxford: Oxford University Press, pp. 1–13.

Smith, S.N. (2021) 'China's "Major Country Diplomacy": Legitimation and Foreign Policy Change', *Foreign Policy Analysis*, 17(2), pp. 1–18. Available at: https://doi.org/10.1093/fpa/orab002.

Smyth, R. (1999) 'Labor-Market and Social-Welfare Reform in the State-Owned Sector in China', *The Journal of developing areas*, 33(2), pp. 223–244.

Somers, M. R. (1994) 'The narrative constitution of identity: A relational and network approach', *Theory and Society*, 23(5), pp. 605–649. doi: 10.1007/BF00992905.

Song, G. and Yuan, W.J. (2012) 'China's Free Trade Agreement Strategies', *The Washington Quarterly*, 35(4), pp. 107–119. Available at: https://doi.org/10.1080/0163660X.2012.726425.

Song, W. (2013) 'Feeling safe, being strong: China's strategy of soft balancing through the Shanghai Cooperation Organization', *International Politics*, 50(5), pp. 664–685. Available at: https://doi.org/10.1057/ip.2013.21.

Sorensen, C. (2015) 'The Significance of Xi Jinping's "Chinese Dream" for Chinese Foreign Policy: From "Tao Guang Yang Hui" to "Fen Fa You Wei"', *Journal of China and International Relations*, 3(1), pp. 53–73. Available at: https://doi.org/10.5278/ojs.jcir.v3i1.1146.

Sorensen, C.T.N. (2019) 'That is not intervention; That is interference with Chinese characteristics: New concepts, distinctions and approaches developing in the Chinese Debate and Foreign and Security Policy Practice', *China Quarterly*, 239, pp. 594–613. Available at: https://doi.org/10.1017/S0305741018001728.

Stanger, A.K. (1995) 'Democratization and the international system: The foreign policies of interim governments', in Y. Shain and J.J. Linz (eds) *Between States: Interim Governments in Democratic Transitions*. Cambridge: Cambridge University Press (Cambridge Studies in Comparative Politics), pp. 255–304. Available at: https://doi.org/10.1017/CBO9781139174381.015.

Statista.com (2022) *Number of employees at state-owned, collective-owned, and private enterprises in urban China from 2011 to 2021*. 13 December Available at: https://www.statista.com/statistics/252924/employees-at-state-owned-collective-owned-and-private-enterprises-in-china/ (Accessed: 08 Janurary 2023).

State.gov (2000) *China: WTO Accession and Permanent Normal Trade Relations (PNTR),* 24 May. Available at: https://1997-2001.state.gov/regions/eap/fs-china_pntr-wto_000524.html (Accessed: 13 December 2023).

State.gov (2009) *Closing Remarks for U.S.-China Strategic and Economic Dialogue, US Department of State*. 28 July Available at: https://2009-2017.state.gov/secretary/20092013clinton/rm/2009a/july/126599.htm. (Accessed: 13 March 2021).

Stats.gov.cn (2021) *Bulletin of the Seventh National Population Census [1] (No. 3)*. 10 May. Available at: http://www.stats.gov.cn/english/PressRelease/202105/t20210510_1817188.html (Accessed: 05 October 2022).

Stein, A.A. (2009) 'Neoliberal Institutionalism', in C. Reus-Smit and D. Snidal (eds) *The Oxford Handbook of International Relations*. Oxford: Oxford University Press, pp. 201–221. Available at: https://doi.org/10.1093/oxfordhb/9780199219322.003.0011.

Su, G. (2016) 'The Belt and Road Initiative in Global Perspectives', *China International Studies*, 57, pp. 5–27.

Subotic, J. (2013) 'Stories States Tell: Identity, Narrative, and Human Rights in the Balkans', *Slavic Review*, 72(2), pp. 306–326. doi: 10.5612/slavicreview.72.2.0306.

Subotic, J. (2016) 'Narrative, ontological security, and foreign policy change', *Foreign Policy Analysis*, 12(4), pp. 610–627. Available at: https://doi.org/10.1111/fpa.12089.

Sun, Y. (2013) 'March West: China's Response to the U.S. Rebalancing', *Brookings Instituion*. 31 January. Available at: https://www.brookings.edu/articles/march-west-chinas-response-to-the-u-s-rebalancing/ (Accessed: 28 June 2022).

Suryadinata, L. (2017) *The Rise of China and the Chinese Overseas: A Study of Beijing's Changing Policy in Southeast Asia and Beyond*, *The Rise of China and the Chinese Overseas: A Study of Beijing's Changing Policy in Southeast Asia and Beyond*. Singapore: ISEAS–Yusof Ishak Institute.

Swaine, M. and Henry, D. (1995) *China: Domestic Change and Foreign Policy*, *Foreign Affairs*. Santa Monica: Rand Corporation.

Swaine, M.D. (2011) 'China's Assertive Behaviour Part One: On "Core Interests"', *China Leadership Monitor*, 34(22), pp. 1–25.

Swanson, A. (2018) 'U.S. and China Expand Trade War as Beijing Matches Trump's Tariffs', *The New York Times* [Preprint]. 15 June. Available at: https://www.proquest.com/blogs-podcasts-websites/u-s-china-expand-trade-war-as-beijing-matches/docview/2055585052/se-2?accountid=10673 (Accessed: 14 November 2022).

Talmon, S. (2017) 'The South China Sea Arbitration and the Finality of "Final" Awards', *Journal of International Dispute Settlement*, 8(2), pp. 388–401. Available at: https://doi.org/10.1093/jnlids/idw027.

Tamboukou, M. (2016) 'Feeling narrative in the archive: the question of serendipity', *Qualitative Research*, 16(2), pp. 151–166. Available at: https://doi.org/10.1177/1468794115569563.

Tan, W. and Soong, J.-J. (2021) 'The Political Economy of China's Rising Role in the Regional Comprehensive Economic Partnership (RCEP): Strategies and Instruments of Chinese Way', *The Chinese economy*, pp. 1–14. Available at: https://doi.org/10.1080/10971475.2021.1972547.

Tang, F. (2019) 'China ignoring US demand for trade war reform by reinforcing state-directed economic model', *South China Morning Post*, 13 July. Available at: https://www.scmp.com/economy/china-economy/article/3018120/china-ignoring-us-demand-trade-war-reform-reinforcing-state. (Accessed: 24 September 2022).

Tang, W. and Darr, B. (2012) 'Chinese nationalism and its political and social origins', *Journal of Contemporary China*, 21(77), pp. 811–826. Available at: https://doi.org/10.1080/10670564.2012.684965.

Tekdal, V. (2018) 'China's Belt and Road Initiative: at the crossroads of challenges and ambitions', *Pacific Review*, 31(3), pp. 373–390. Available at: https://doi.org/10.1080/09512748.2017.1391864.

Telhami, S. and Barnett, M. (2002) *Identity and Foreign Policy in the Middle East*, *Contemporary Political Theory*. New York: Cornell University Press. Available at: https://doi.org/10.1057/palgrave.cpt.9300045.

Tellis, A.J. (2019) 'Pursuing global reach: China's not so long march toward preeminence', in A.J. Tellis, A. Szalwinski, and M. Wills (eds) *Strategic Asia 19: China's Expanding Strategic Ambitions*. Washington, D.C.: The National Bureau of Asian Research, pp. 3–46.

The Central Committee of the Chinese Communist Party (1994) *ai guo zhu yi jiao yu shi shi gang yao | 爱国主义教育实施纲要|Outline of the implementation of patriotic education*. 23 August. Available at: http://www.cnypa.org/shhyzc/877278.jhtml (Accessed: 21 January 2021).

The Economist (2016) *An early salvo in a trade war between America and China?,* 17 December. Available at: https://www.economist.com/finance-and-economics/2016/12/17/an-early-salvo-in-a-trade-war-between-america-and-china?utm_medium=cpc.adword.pd&utm_source=google&ppccampaignID=18156330227&ppcadID=&utm_campaign=a.22brand_pmax&utm_content=conversion.direct-response.anonymous&gad_source=1&gclid=CjwKCAiAnL-sBhBnEiwAJRGigmDznqIORsq3gyN0SKnXPg2bYfDSRywcnRAwbsr27iNyvNs1vZQLTBoCUIcQAvD_BwE&gclsrc=aw.ds (Accessed: 21 December 2023).

The Fast and the Furious Series (no date). Universal City: Universal Pictures.

Tight, M. (2019) *Documentary Research in the Social Sciences*. London: SAGE Publications Ltd. Available at: https://doi.org/10.4135/9781529716559.

Tilly, C. (1984) *Big structures, large processes, huge comparisons*. New York: Russell Sage Foundation.

Treaties.un.org. (2023) *Agreement between the People's Republic of China and the Socialist Republic of Viet Nam on the delimitation of the territorial seas, exclusive economic zones and continental shelves of the two countries in Beibu Gulf/Bac Bo Gulf*. Available at: https://treaties.un.org/Pages/showDetails.aspx?objid=080000028006ece3 (Accessed: 12 June 2023).

Tsai, K.S. and Naughton, B. (2015) 'Introduction', in B. Naughton and K.S. Tsai (eds) *State Capitalism, Institutional Adaptation, and the Chinese Miracle*. Cambridge: Cambridge University Press (Comparative Perspectives in Business History), pp. 1–24. Available at: https://doi.org/10.1017/CBO9781139962858.001.

Tsai, W.-H. and Zhou, W. (2019) 'Integrated Fragmentation and the Role of Leading Small Groups in Chinese Politics', *The China Journal*, 82, pp. 1–22. Available at: https://doi.org/10.1086/700670.

Tsang, S. (2009) 'Consultative Leninism: China's new political framework', *Journal of Contemporary China*, 18(62), pp. 865–880. Available at: https://doi.org/10.1080/10670560903174705.

Tsang, S. (2020) 'Party-state Realism: A Framework for Understanding China's Approach to Foreign Policy', *Journal of Contemporary China*, 29(122), pp. 304–318. Available at: https://doi.org/10.1080/10670564.2019.1637562.

Tsebelis, G. (1995) 'Decision Making in Political Systems: Veto Players in Presidentialism, Parliamentarism, Multicameralism and Multipartyism', *British Journal of Political Science*, 25(3), pp. 289–325.

Turcsanyi, R. (2017) *Chinese Assertiveness in the South China Sea: Power Sources, Domestic Politics, and Reactive Foreign Policy*. Cham: Springer International Publishing. doi: 10.1007/978-3-319-67648-7.

Turner, O. (2016) 'China, India and the US Rebalance to the Asia Pacific: The Geopolitics of Rising Identities', *Geopolitics*, 21(4), pp. 922–944. Available at: https://doi.org/10.1080/14650045.2016.1190708.

Turner, O. (2022) 'Frontiering International Relations: Narrating US Policy in the Asia Pacific', *Foreign Policy Analysis*, 18(2). doi: 10.1093/fpa/orac009.

U.S.-China Economic and Security Review Commission. (2018) *2018 Annual Report to Congress*. Washington. Available at: https://www.uscc.gov/annual-report/2018-annual-report-congress (Accessed: 11 August 2022).

Uemura, T. (2015) 'Understanding Chinese Foreign Relations: A Cultural Constructivist Approach', *International Studies Perspectives*, 16(3), pp. 345–365. Available at: https://doi.org/10.1111/insp.12038.

United States Department of Commerce. (2017) *China's Status as a Non-Market Economy*. Washington. 26 October Available at: https://enforcement.trade.gov/download/prc-nme-status/prc-nme-review-final-103017.pdf (Accessed: 08 October 2022).

Ustr.gov (2018a) *Findings of the Investigation into China's Acts, Policies, and Practices related to Technology Transfer, Intellectual Property, and Innovation under Section 301 of the Trade Act of 1974*. Washington.

Ustr.gov (2018b) *Section 301 Investigation Fact Sheet*. Available at: https://ustr.gov/about-us/policy-offices/press-office/fact-sheets/2018/june/section-301-investigation-fact-sheet (Accessed: 05 November 2022).

Ustr.gov (2020) 'Economic and Trade Agreement Between the Government of the United States of America and the Government of the People's Republic of China'. Washington: Office of the U.S. Trade Representative. Available at: https://ustr.gov/sites/default/files/files/agreements/phase one agreement/Economic And Trade Agreement Between The United States And China Text.pdf (Accessed: 16 October 2022).

van Dijk, T.A. (1997) 'What is Political Discourse Analysis?', *Belgian Journal of Linguistics*, 11(1), pp. 11–52. Available at: https://doi.org/10.1075/bjl.11.03dij.

Vucetic, S. (2017) 'Identity and Foreign Policy', in C. Thies (ed.) *The Oxford Encyclopaedia of Foreign Policy Analysis*. Oxford: Oxford University Press. Available at: https://www-oxfordreference-com.ezproxy.is.ed.ac.uk/view/10.1093/acref/9780190463045.001.0001/acref-9780190463045-e-435?rskey=ZUNygf&result=54 (Accessed: 28 May 2020).

Walt, S. M. (2002) 'The Enduring Relevance of the Realist Tradition', in Katznelson, I. and Milner, H. (eds) *Political Science: State of the Discipline*. New York: Norton, pp. 197–230.

Walt, S.M. (2017) 'Rising Powers and the Risks of War: A Realist View of Sino-American Relations', in A. Toje (ed.) *Will China's Rise Be Peaceful?: The Rise of a Great Power in Theory, History, Politics , and the Future*. Oxford: Oxford University Press, pp. 13–32. Available at: https://doi.org/10.1093/oso/9780190675387.003.0002.

Waltz, K. (1979) *Theory of International Politics*. New York: Addison-Wesley. Available at: https://doi.org/10.4324/9781912282388.

Wang, H. (2019) 'The New Development Bank and the Asian Infrastructure Investment Bank: China's Ambiguous Approach to Global Financial Governance', *Development and Change*, 50(1), pp. 221–244. Available at: https://doi.org/10.1111/DECH.12473.

Wang, H. and French, E. (2014) 'China in Global Economic Governance', *Asian Economic Policy Review*, 9(2), pp. 254–271. Available at: https://doi.org/10.1111/AEPR.12068.

Wang, J. (2011) 'The International Positioning of China and the Strategic Thinking of "Keeping a Low Profile but Playing a Due Role"', *China international studies*, (2), pp. 4–20.

Wang, J. (2012) 'wang ji si: "xi jin",zhong guo di yuan zhan lue de zai ping heng|王缉思："西进"，中国地缘战略的再平衡| "Westward", the rebalancing of China's geostrategy', *International and Strategic Studies Report*. (73), pp. 1–4. Available at: http://www.iiss.pku.edu.cn/upload/files/20140813/63543490555230796366039 02.pdf (Accessed: 08 December 2021).

Wang, J. (2019) 'Xi Jinping's "major country diplomacy:" A paradigm shift', *Journal of Contemporary China*, 28(115), pp. 15–30. Available at: https://doi.org/10.1080/10670564.2018.1497907.

Wang, J., Xiao, Z. and Tang, Y. (2008) *Zhongguo longduanxing hangye guanzhi jigou de sheli yu yunxing jizhi|中国垄断性行业管制机构的设立与运行机制|The establishment*

and operation of regulatory agencies in China's monopoly industries. Beijing: shang wu yin shu guan|Shangwu yinshua guan|The Commercial Press

Wang, X. (2006) *jiu 《lang tu teng》da lei she wang you wen |就《狼图腾》答镭射网友问|Answering Leishe netizens' questions about 'Wolf Totem*, 20 May. Available at: https://blog.sina.com.cn/s/blog_53a7ac51010003dx.html (Accessed: 23 April 2021).

Wang, Y. (2013a) 'Exploring the Path of Major-Country Diplomacy with Chinese Characteristics', *Fmprc.gov.cn*,27 June. Available at: https://www.fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/t1053908.shtml(Accessed: 08 July 2022).

Wang, Y. (2013b) *wei shi xian wai jiao bao guo meng er fen dou——wang yi ji yu wai jiao bu xin gan bu |为实现外交报国梦而奋斗——王毅寄语外交部新干部|Strive for the realisation of the dream of serving the country through diplomacy——Wang Yi's speech to the new cadres of the Ministry of Foreign Affairs*, *Gov.cn*. 23 August. Available at: https://www.gov.cn/gzdt/2013-08/24/content_2473131.htm (Accessed: 08 November 2021).

Wang, Y. (2014a) 'wang yi: zhong guo yuan tong fei zhou gong yuan fu xing meng xiang 、gong mou fa zhan fan rong、gong cu he ping an quan |王毅：中国愿同非洲共圆复兴梦想、共谋发展繁荣、共促和平安全| Wang Yi: China is willing to work with Africa to realise the dream of rejuvenation, seek joint development and prosperity, and promote peace and security jointly', *Gov.cn*. 7 January. Available at: https://www.gov.cn/gzdt/2014-01/07/content_2560922.htm (Accessed: 22 April 2020).

Wang, Y. (2014b) 'Full Text of Foreign Minister Wang Yi's Speech on China's Diplomacy in 2014', *Gov.cn*. 26 December Available at: http://english.www.gov.cn/state_council/ministries/2014/12/26/content_281475029808332.htm (Accessed: 01 May 2023).

Wang, Y. (2014) 'China's New Foreign Policy: Transformations and Challenges Reflected in Changing Discourse', *The Asan Forum*. 21 March. Available at: https://theasanforum.org/chinas-new-foreign-policy-transformations-and-challenges-reflected-in-changing-discourse/ (Accessed: 13 October 2021).

Wang, Y. (2015) *yi dai yi lu, ji yu yu tiao zhan |一带一路,机遇与挑战| The Belt and Road Initiatives: Opportunities and Challenges*. Beijing: People's Press.

Wang, Y. (2016) 'Work Together to Create a Community of Shared Future for Mankind', *Fmprc.gov.cn*. 3 June. Available at: https://www.fmprc.gov.cn/eng/wjb_663304/wjbz_663308/2461_663310/201606/t20160603_468625.html (Accessed: 23 August 2021).

Wang, Y. (2016) 'Offensive for defensive: the belt and road initiative and China's new grand strategy', *The Pacific Review*, 29(3), pp. 455–463. Available at: https://doi.org/10.1080/09512748.2016.1154690.

Wang, Y. (2017) *Creative involvement: A new direction in China's diplomacy*. London: Routledge. Available at: https://doi.org/10.4324/9781315187730.

Wang, Z. (2012) *Never Forget National Humiliation: Historical Memory in Chinese Politics and Foreign Relations*. New York: Columbia University Press. Available at: https://doi.org/10.1080/09700161.2014.863509.

Wang, Z. (2014) 'The Chinese Dream: Concept and Context', *Journal of Chinese Political Science*, 19(1), pp. 1–13. Available at: https://doi.org/10.1007/s11366-013-9272-0.

Wang, Z. (2015) 'Chinese Discourse on the "Nine-Dashed Line"Rights, Interests, and Nationalism', *Asian Survey*, 55(3), pp. 502–524. Available at: https://doi.org/10.1525/AS.2015.55.3.502.

Outlook (2015) *《liao wang》xin wen zhou kan: ru he zou hao yi dai yi lu jiao xiang yu |《瞭望》新闻周刊：如何奏好一带一路交响乐|Outlook: How to play the Belt and Road Symphony well*, 18 March Available at: http://www.srta.org.cn/News/237/4103.htm (Accessed: 05 November 2021).

Wei, L. (2020) 'Striving for achievement in a new era: China debates its global role', *The Pacific Review*, 33(3–4), pp. 413–437. Available at: https://doi.org/10.1080/09512748.2020.1728572.

Wei, M. (2013) 'zhong ri han zi mao qu tan pan yu zhong guo de ying dui |'中日韩自贸区谈判与中国的应对| China-Japan-ROK FTA Negotiations and China's Response', *Contemporary World*, (5), pp. 41–43.

Wei, Z., Varela, O. and Kabir Hassan, M. (2002) 'Ownership and performance in Chinese manufacturing industry', *Journal of Multinational Financial Management*, 12(1), pp. 61–78. Available at: https://doi.org/10.1016/S1042-444X(01)00026-3.

Weiss, J.C. (2013) 'Authoritarian signaling, mass audiences, and nationalist protest in China', *International Organization*, 67(1), pp. 1–35. Available at: https://doi.org/10.1017/S0020818312000380.

Weiss, J.C. (2014) *Powerful Patriots: Nationalist Protest in China's Foreign Relations*. New York: Oxford University Press. Available at: https://doi.org/10.1093/acprof:oso/9780199387557.001.0001.

Weiss, J. (2016) 'Here's what China's people really think about the South China Sea' *The Washington Post*. 14 July. Available at: https://www.washingtonpost.com/news/monkey-cage/wp/2016/07/14/heres-what-chinas-people-really-think-about-the-south-china-sea/ (Accessed: 15 February 2021).

Weiss, J.C. (2019) 'How Hawkish Is the Chinese Public? Another Look at "Rising Nationalism" and Chinese Foreign Policy', *Journal of Contemporary China*, 28(119), pp. 679–695. Available at: https://doi.org/10.1080/10670564.2019.1580427.

Weiss, J.C. and Dafoe, A. (2019) 'Authoritarian Audiences, Rhetoric, and Propaganda in International Crises: Evidence from China', *International Studies Quarterly*, 63(4), pp. 963–973. Available at: https://doi.org/10.1093/isq/sqz059.

Weiss, J. C. (2021) The Stories China Tells: The New Historical Memory Reshaping Chinese Nationalism. *Foreign Affairs* 100 (2) p.192–197.

Weissmann, M. (2015) 'Chinese Foreign Policy in a Global Perspective: A Responsible Reformer "Striving for Achievement"', *Journal of China and International Relations*, 3(1), pp. 151–166. Available at: https://doi.org/10.5278/ojs.jcir.v3i1.1150.

Welch, D.A. (1992) 'The Organizational Process and Bureaucratic Politics Paradigms: Retrospect and Prospect', *International Security*, 17(2), pp. 112–146. Available at: https://doi.org/10.2307/2539170.

Welch, D.A. (2005) *Painful choices: A theory of foreign policy change*. Princeton: Princeton University Press. Available at: https://doi.org/10.1057/palgrave.jird.1800102.

Wendt, A. (1994) 'Collective Identity Formation and the International State', *American Political Science Review*, 88(2), pp. 384–396.

Wendt, A. (1999) *Social theory of international politics*. Cambridge: Cambridge University Press.

Westcott, B. (2019) 'US, UK hold rare joint drills in the South China Sea', *CNN*. 16 January. Available at: https://edition.cnn.com/2019/01/16/asia/uk-us-south-china-sea-intl/index.html (Accessed: 21 April 2021).

Whiting, A. (1968) *China crosses the Yalu: the decision to enter the Korean War*. Stanford: Stanford University Press.

Wight, C. (1999) 'They Shoot Dead Horses Don't They?', *European Journal of International Relations*, 5(1), pp. 109–142. Available at: https://doi.org/10.1177/1354066199005001004.

Wilson, J.D. (2014) 'Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?', *Journal of Contemporary Asia*, 45(2), pp. 345–353. Available at: https://doi.org/10.1080/00472336.2014.956138.

Wohlforth, W. C. (1993) *The Elusive Balance: Power and Perceptions during the Cold War.*, *The Journal of American History*. Ithaca: Cornell University Press. doi: 10.2307/2081592.

Wolfers, A. (1962) *Discord and Collaboration: Essays on International Politics. Arnold Wolfers*, *The Journal of Politics*. Baltimore: Johns Hopkins University Press. Available at: https://doi.org/10.2307/2127481.

Wolf Warrior I. (2015) Wu Jing. Beijing: 恒业影业|Hengye Pictures.

Wolf Warrior II. (2017) Wu Jing. Beijing: 北京文化|Beijing Culture.

Wong, E. (2011) 'China Hedges Over Whether South China Sea is a "Core Interest" Worth War', *The New York Times*. Late Editi, March, p. A.12-A.12.

Wong, E. and Ansfield, J. (2014) 'To Bolster Its Claims, China Plants Islands in Disputed Waters', *The New York Times*, 16 June. Available at: https://www.nytimes.com/2014/06/17/world/asia/spratly-archipelago-china-trying-

to-bolster-its-claims-plants-islands-in-disputed-waters.html (Accessed: 05 February 2021).

World Bank. (2023a) *GDP growth (annual %) - China*, *worldbank.org*. Available at: https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=CN (Accessed: 16 July 2023).

World Bank. (2023b) *Exports of goods and services (current US$) - China*, *worldbank.org*. Available at: https://data.worldbank.org/indicator/NE.EXP.GNFS.CD?end=2022&locations=CN&start=2000&view=chart (Accessed: 16 July 2023).

World Bank. (2023c) *Unemployment, total (% of total labor force) (modeled ILO estimate) - China*, *worldbank.org*. Available at: https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=CN (Accessed: 16 July 2023).

World Trade Organisation. (2001) '*Protocol on the Accession of the People's Republic of China*'. Geneva. 11 December Available at: https://www.wto.org/english/thewto_e/acc_e/a1_chine_e.htm (Accessed: 09 November 2022).

Wu, G. (2017) 'SOEs Lead Infrastructure Push in 1,700 'Belt and Road' Projects', *Caixinglobal.com*. 10 May. Available at: https://www.caixinglobal.com/2017-05-10/soes-lead-infrastructure-push-in-1700-belt-and-road-projects-101088332.html (Accessed: 13 April 2022).

Wu, G. (2019) 'The King's Men and Others: Emerging Political Elites under Xi Jinping by', *China Leadership Monitor*, (60), pp. 1–9.

Wu, G. (2021) 'The Emergence of the Central Office of Foreign Affairs: From leadership Politics to "Greater Diplomacy"', *China Leadership Monitor*, (69), pp. 1–10. Available at: https://www.prcleader.org/wu-1 (Accessed: 13 March 2023).

Wu, J. (2016) 'wu jian sheng: TPP he 'yi dai yi lu' de bi jiao yu qi shi |吴涧生：TPP和"一带一路"的比较与启示| Wu Jiansheng: Comparison of TPP and One Belt One Road and Insights', *Theory.people.com.cn* Available at: http://theory.people.com.cn/n1/2016/0705/c367658-28526429.html (Accessed: 03 May 2022).

Wuthnow, J. (2017) *Chinese Perspectives on the Belt and Road Initiative: Strategic Rationales, Risks, and Implications*. Washington D.C.: National Defence University Press. Available at: https://inss.ndu.edu/Portals/68/Documents/stratperspective/china/ChinaPerspectives-12.pdf Accessed: 03 December 2023).

Xi, J. (2012) Speech at "The Road to Rejuvenation", *China Copyright and Media*. 29 November. Available at: https://chinacopyrightandmedia.wordpress.com/2012/11/29/speech-at-the-road-to-rejuvenation/ (Accessed: 03 January 2021).

Xi, J. (2013) 'zheng que kan dai gai ge kai fang qian hou liang ge li shi shi qi |正确看待改革开放前后两个历史时期|Correctly look at the two historical periods before and after the reform and opening up', *Scio.gov.cn*. 8 November. Available at: http://www.scio.gov.cn/zhzc/35353/35354/Document/1505210/1505210.htm (Accessed: 03 September 2021).

Xi, J. (2014) 'xi jin ping zai ya tai jing he zu zhi gong shang ling dao ren feng hui kai mu shi shang de yan jiang |习近平在亚太经合组织工商领导人峰会开幕式上的演讲| Speech by Xi Jinping at the Opening Ceremony of the APEC Business Leaders Summit', *Cpc.people.com*. 09 November. Available at: http://cpc.people.com.cn/n/2014/1110/c64094-26001014.html (Accessed: 11 October 2021).

Xi, J. (2016) 'xi jin ping: jian chi dang dui guo you qi ye de ling dao bu dong yao |习近平：坚持党对国有企业的领导不动摇| Xi Jinping: Uphold the Party's unwavering leadership over state-owned enterprises', *Cpc. people.com.cn*. 12 October. Available at: http://cpc.people.com.cn/n1/2016/1012/c64094-28770427.html (Accessed: 03 December 2022).

Xi, J. (2017) 'dang de shi jiu da bao gao shuang yu quan wen |党的十九大报告双语全文|Full bilingual report of the 19th National Congress of the Communist Party of China'. *China Daily* 6 November. Available at: https://language.chinadaily.com.cn/19thcpcnationalcongress/2017-11/06/content_34188086.htm (Accessed: 18 September 2022).

Xinhuanet.com (2010) *zhong guo shi gao tie de dan sheng yu cheng zhang | 中国式高铁的诞生与成长| The birth and growth of Chinese-style high-speed rail*. 4 March. Available at: https://web.archive.org/web/20160919015327/http://news.xinhuanet.com/globe/2010-03/04/content_13096289.htm (Accessed: 13 January 2022).

Xinhuanet.com (2012) *zong li wen jiabao da zhong wai ji zhe wen|总理温家宝答中外记者问|Wen Jiabao answers questions from Chinese and foreign reporters,* 14 March. Available at: http://www.xinhuanet.com/politics/2012lh/zhibo/zongli/zfw_wz.htm (Accessed: 13 December 2023).

Xinhuanet.com (2015) *xi jin ping zhu xi zai bo ao ya zhou lun tan 2015 nian nian hui shang de zhu zhi yan jiang |习近平主席在博鳌亚洲论坛2015年年会上的主旨演讲| Keynote Speech by President Xi Jinping at the Annual Bo'ao Forum for Asia Conference in 2015*. 29 March. Available at: http://www.xinhuanet.com//politics/2015-03/29/c_127632707.htm (Accessed: 13 September 2022).

Xinhuanet.com (2016) *lao lao ba wo guo you zi ye zuo qiang zuo you zuo da de gai ge fa zhan fang xiang |牢牢把握国有企业做强做优做大的改革发展方向|Firmly grasp the stronger, better and bigger direction of reform and development of state-owned*

enterprises. 24 October. Available at: http://www.xinhuanet.com/politics/2016-10/24/c_1119772274.htm (Accessed: 19 November 2022).

Xinhuanet.com (2017a) *xi jin ping shuo, shi xian zhong hua min zu wei da fu xing de zhong guo meng shi xin shi dai zhong guo gong chan dang de li shi shi ming |习近平说，实现中华民族伟大复兴的中国梦是新时代中国共产党的历史使命|Xi Jinping said that realising the Chinese dream of the great rejuvenation of the Chinese nation was the historical mission of the Communist Party of China in the new era*. 18 October. Available at: http://www.xinhuanet.com//politics/19cpcnc/2017-10/18/c_1121820111.htm (Accessed: 19 August 2021).

Xinhuanet.com (2017b) *'Belt and Road' incorporated into CPC Constitution*. 24 October Available at: http://www.xinhuanet.com/english/2017-10/24/c_136702025.htm (Accessed: 13 May 2022).

Xinhuanet.com (2018a) *Xi urges breaking new ground in major country diplomacy with Chinese characteristics* 24 June Available at: http://www.xinhuanet.com/english/2018-06/24/c_137276269.htm (Accessed: 27 August 2021).

Xinhuanet.com (2018b) *gong jian 'yi dai yi lu', xi jin ping ti chu cong 'da xie yi' dao 'gong bi hua' |共建"一带一路"，习近平提出从"大写意"到"工笔画"| To jointly build the 'Belt and Road', Xi Jinping proposed to change from 'freehand brushwork' to 'meticulous brushwork'*. 8 August Available at: http://www.xinhuanet.com/politics/xxjxs/2018-08/28/c_1123341344.htm (Accessed: 26 December 2021).

Xinhuanet.com (2018c) *Belt and Road Initiative brings more opportunities to Guangxi*, 10 December Available at: http://english.scio.gov.cn/beltandroad/2018-12/10/content_74257911.htm (Accessed: 13 December 2021).

Xinhuanet.com (2019) *Xinhua Commentary: Belt and Road for joint development, shared benefits*. 25 April. Available at: http://www.xinhuanet.com/english/2019-04/25/c_138009104.htm (Accessed: 28 November 2021).

Xinhuanet.com (2022) *"yi dai yi lu"lu xian tu fa bu |Yidai Yilu Luxiantu Fabu|"一带一路"路线图发布|"One Belt, One Road" Roadmap Released*. Available at: http://www.xinhuanet.com/fortune/cjzthgjj/104.htm (Accessed: 03 May 2022).

Xu, Y. (2007) jin ru 21 shi ji de zi you zhu yi he xin zuo pai |'进入21世纪的自由主义和新左派| Liberalism and the New Left in the 21st Century', *Mordern China Studies*, 96(2), pp. 21–35.

Xue, L. (2016) 'China's Foreign Policy Decision-Making Mechanism and "One Belt One Road" Strategy', *Journal of Contemporary East Asia Studies*, 5(2), pp. 23–35. Available at: https://doi.org/10.1080/24761028.2016.11869095.

Xue, L. (2016) mei guo zai ping heng zhan lue yu zhong guo “yi dai yi lu” |’美国再平衡战略与中国”一带一路”| America’s Rebalance Strategy and China’s “One Belt, One Road”‘, *世界经济与政治|World Economy and Politics*, (5), pp. 62–65.

Yahuda, M. (2013) ‘China’s New Assertiveness in the South China Sea’, *Journal of Contemporary China*, 22(81), pp. 446–459. Available at: https://doi.org/10.1080/10670564.2012.748964.

Yan, K. (2021) ‘The Railroad Economic Belt: Grand strategy, economic statecraft, and a new type of international relations’, *British Journal of Politics and International Relations*, 23(2), pp. 262–279. Available at: https://doi.org/10.1177/1369148120940938.

Yan, X. (2001) ‘The Rise of China in Chinese Eyes’, *Journal of Contemporary China*, 10(26), pp. 33–39. Available at: https://doi.org/10.1080/10670560123407.

Yan, X. (2014) ‘From keeping a low profile to striving for achievement’, *Chinese Journal of International Politics*, 7(2), pp. 153–184. Available at: https://doi.org/10.1093/cjip/pou027.

Yang, H. (2014) ‘In Defense of Zhou Xiaoping, China’s Patriotic Blogger’, *The Diplomat*. 5 November. Available at: https://thediplomat.com/2014/11/in-defense-of-zhou-xiaoping-chinas-patriotic-blogger/ (Accessed: 26 September 2021).

Yang, J. (2010) ‘guo wu yuan guan yu jia kuai shao shu min zu he min zu di qu jing ji she hui fa zhan gong zuo qing kuang de bao gao |国务院关于加快少数民族和民族地区经济社会发展工作情况的报告|Report of the State Council on Accelerating the Economic and Social Development of Ethnic Minorities and Ethnic Areas’, *Npc.gov.cn*. 25 December. Available at: http://www.npc.gov.cn/zgrdw/npc/xinwen/2010-12/25/content_1612568.htm (Accessed: 13 July 2021).

Yang, J. (2016) ‘Yang Jiechi Gives Interview to State Media on the So-called Award by the Arbitral Tribunal for the South China Sea Arbitration’, *Ministry of Foreign Affairs of the People’s Republic of China*. 15 July. Available at: https://www.fmprc.gov.cn/eng/wjdt_665385/zyjh_665391/201607/t20160715_678561.html (Accessed: 13 March 2021).

Yang, J. (2021) ‘zhong guo gong chan dang jian dang bai nian lai wai shi gong zuo de guang hui li cheng he yuan da qian jing |中国共产党建党百年来 外事工作的光辉历程和远大前景| Foreign Affairs Work Since the Founding of The Communist Party of China: A Century of Glorious Achievements and A Future of Bright Prospects’, *Qstheory.cn*. 16 May. Available at: http://www.qstheory.cn/dukan/qs/2021-05/16/c_1127447088.htm (Accessed: 3 September 2021).

Yang, Y.E. (2021) ‘China’s Strategic Narratives in Global Governance Reform under Xi Jinping’, *Journal of Contemporary China*, 30(128), pp. 299–313. Available at: https://doi.org/10.1080/10670564.2020.1790904.

Ye, M. (2019) 'Fragmentation and Mobilization: Domestic Politics of the Belt and Road in China', *Journal of Contemporary China*, 28(119), pp. 696–711. Available at: https://doi.org/10.1080/10670564.2019.1580428.

Ye, M. (2020) *The Belt Road and Beyond: State-Mobilized Globalization in China: 1998–2018*. Cambridge: Cambridge University Press. Available at: https://doi.org/10.1017/9781108855389.

Ye, X. (2019) 'Rediscovering the Transition in China's National Interest: A Neoclassical Realist Approach', *Journal of Current Chinese Affairs*, 48(1), pp. 76–105. Available at: https://doi.org/10.1177/1868102619876830.

Yidaiyilu.gov.cn (2017) *Building the Belt and Road: Concept, Practice and China's Contribution*. Beijing. 11 May. Available at: https://eng.yidaiyilu.gov.cn/wcm.files/upload/CMSydylyw/201705/20170511053702 7.pdf (Accessed: 21 May 2022).

Yidaiyilu.gov.cn (2019a) *"yi dai yi lu"liu zhou nian da shi ji |"一带一路"六周年大事记 | Chronicle of the Sixth Anniversary of the OBOR Initiative*. 2 October. Available at: https://www.yidaiyilu.gov.cn/p/105276.html (Accessed: 05 December 2021).

Yidaiyilu.gov.cn (2019b) *"yi dai yi lu"neng yuan he zuo huo ban guan xi zai jing cheng li |"一带一路"能源合作伙伴关系在京成立| OBOR Energy Partnership Established in Beijing*. 25 April. Available at: https://www.yidaiyilu.gov.cn/p/87663.html (Accessed: 15 December 2021).

Yin, G. (2019) 'Domestic repression and international aggression? Why Xi is uninterested in diversionary conflict', *Brookings*. Available at: https://www.brookings.edu/articles/domestic-repression-and-international-aggression-why-xi-is-uninterested-in-diversionary-conflict/ (Accessed: 13 August 2021).

Yu, D. and Zhang, Y. (2018) 'China's industrial transformation and the "new normal"', in Guo, C., Debin, L., and Pieterse, J. N. (eds.) *China's Contingencies and Globalization*. Abington: Routledge, pp. 91–113. doi: 10.4324/9781315232225-6.

Yu, H. (2017) 'Motivation behind China's "one belt, one road" initiatives and establishment of the Asian infrastructure investment bank', *Journal of Contemporary China*, 26(105), pp. 353–368. Available at: https://doi.org/10.1080/10670564.2016.1245894.

Yu, J. (2018) 'The belt and road initiative: domestic interests, bureaucratic politics and the EU-China relations', *Asia Europe Journal*, 16(3), pp. 223–236. Available at: https://doi.org/10.1007/s10308-018-0510-0.

Yu, M. (2019) 'The Status of China's Market Economy and Structural Reforms: The Issues Behind the U.S.–China Trade War', *Asian Economic Papers*, 18(3), pp. 34–51. Available at: https://doi.org/10.1162/asep_a_00714.

Yu, S. (2019) 'The Belt and Road Initiative: Modernity, Geopolitics and the Developing Global Order', *Asian Affairs*, 50(2), pp. 187–201. Available at: https://doi.org/10.1080/03068374.2019.1602389.

Yu, V. (2012) 'Pen is subject to the sword', *South China Morning Post*. 13 February. Available at: https://www.scmp.com/article/992519/pen-subject-sword (Accessed: 03 August 2022).

Zakaria, F. (1998) *From wealth to power : the unusual origins of America's world role.* Princeton: Princeton University Press (Princeton studies in international history and politics).

Zehfuss, M. (2002) *Constructivism in international relations, the politics of reality*, *Contexto Internacional*. Cambridge: Cambridge University Press. Available at: https://doi.org/10.1590/s0102-85292006000100005.

Zeng, J., Xiao, Y. and Breslin, S. (2015) 'Securing China's core interests: the state of the debate in China', *International Affairs*, 91(2), pp. 245–266. Available at: https://doi.org/10.1111/1468-2346.12233.

Zgxxb.com.cn (2022) *guo zi guo qi jiang duo cuo bing ju cu jin gao xiao bi ye sheng jiu ye | 国资国企将多措并举促进高校毕业生就业|State-owned assets and state-owned enterprises will take multiple measures to promote the employment rate of university graduates*. 23 June. Available at: http://www.zgxxb.com.cn/pc/content/202206/23/content_14731.html (Accessed: 13 December 2022).

Zhang, C. (2010) 'Beyond Sino-ASEAN Relations Online Chinese Nationalism Toward Southeast Asia', in S. Simon and S. Breslin (eds) *Online Chinese Nationalism and China's Bilateral Relations*. Lanham: Rowman & Littlefield, pp. 153–168.

Zhang, D. and Freestone, O., 2013. China's unfinished state-owned enterprise reforms. *Economic Round-up*, (2), pp.77-99.

Zhang, F. (2012) 'Rethinking China's grand strategy: Beijing's evolving national interests and strategic ideas in the reform era', *International Politics*, 49(3), pp. 318–345. doi: 10.1057/ip.2012.5.

Zhang, J. (2015) 'China's new foreign policy under xi jinping: Towards "peaceful rise 2.0"?', *Global Change, Peace and Security*, 27(1), pp. 5–19. doi:10.1080/14781158.2015.993958.

Zhang, F. (2016) 'Challenge Accepted: China's Response to the US Rebalance to the Asia-Pacific', *Security Challenges*, 12(3), pp. 1–16.

Zhang, F. (2020) 'China's long march at sea: explaining Beijing's South China Sea strategy, 2009–2016', *The Pacific Review*, 33(5), pp. 757–787. Available at: https://doi.org/10.1080/09512748.2019.1587497.

Zhang, H. (2015) 'From Opponent to Proponent: The Rational Evolution of China's Nuclear Nonproliferation Policy', *Asian Politics & Policy*, 7(2), pp. 283–301. Available at: https://doi.org/10.1111/aspp.12178.

Zhang, J. (2015) 'China's new foreign policy under xi jinping: Towards "peaceful rise 2.0"?', *Global Change, Peace and Security*, 27(1), pp. 5–19. Available at: https://doi.org/10.1080/14781158.2015.993958.

Zhang, Q. (2016) 'Bureaucratic politics and Chinese foreign policy-making', *Chinese Journal of International Politics*, 9(4), pp. 435–458. Available at: https://doi.org/10.1093/cjip/pow007.

Zhang, T.H. (2019) 'The Rise of the Princelings in China: Career Advantages and Collective Elite Reproduction', *Journal of East Asian Studies*, 19(2), pp. 169–196. Available at: https://doi.org/10.1017/jea.2019.11.

Zhang, W. and Sheng, B. (2004) *Lun qi ye jia: Jing ji zeng zhang de guo wang |论企业家：经济增长的国王| Entrepreneurs: The Kings of Economic Growth*. Shanghai: Shanghai People's Press.

Zhang, X. (2009) '《瞭望》载文阐述胡锦涛时代观的五大中国主张|《liao wang》zai wen chan shu hu jin tao shi dai guan de wu da zhong guo zhu zhang |"Outlook" published an article explaining the five major Chinese propositions of Hu Jintao's view of the times', *Scio.gov.cn*. 24 November. Available at: http://www.scio.gov.cn/zggk/gqbg/2009/Document/474241/474241.htm (Accessed: 18 September 2021).

Zhang, X. and Boukes, M. (2019) 'How China's flagship news program frames "the West": Foreign news coverage of CCTV's Xinwen Lianbo before and during Xi Jinping's presidency', *Chinese Journal of Communication*, 12(4), pp. 414–430. Available at: https://doi.org/10.1080/17544750.2018.1554593.

Zhang, Y. (2015) 'wai jiao bu fu bu zhang zhang ye sui: 'yi dai yi lu' bu shi di yuan zhan lue de gong ju |外交部副部长张业遂："一带一路"不是地缘战略的工具| Vice Foreign Minister Zhang Yesui: "One Belt, One Road" is not a geostrategic tool', *Fmprc.gov.cn*. 21 March. Available at: http://bbs.fmprc.gov.cn/ziliao_674904/zt_674979/dnzt_674981/qtzt/ydyl_675049/wjbxw_675053/201503/t20150321_9279381.shtml (Accessed: 18 March 2022).

Zhang, Y. (2016) 'China and liberal hierarchies in global international society: power and negotiation for normative change', *International Affairs*, 92(4), pp. 795–816. Available at: https://doi.org/10.1111/1468-2346.12652.

Zhang, Yunbi (2015) 'Initiative for Eurasia trade gains momentum', *China Daily*. Available at: http://usa.chinadaily.com.cn/epaper/2015-02/03/content_19476441.htm (Accessed: 13 August 2023).

Zhao, B. (2012) 'Monopoly, economic efficiency and unemployment', *Economic Modelling*, 29(3), pp. 586–600. Available at: https://doi.org/10.1016/j.econmod.2012.01.001.

Zhao, K. (2014) 'xin li nian yin ling zhong guo xin wai jiao |新理念引领中国新外交|New thoughts lead China's new diplomacy', *Study Times*. Available at: https://news.12371.cn/2014/01/06/ARTI1388971396063724.shtml (Accessed: 18 May 2021).

Zhao, S. (2004) *A Nation-State by Construction: Dynamics of Modern Chinese Nationalism*. Stanford: Stanford University Press.

Zhao, S. (2008) 'Chinese Pragmatic Nationalism and Its Foreign Policy Implications', in *Annual Meeting of the American Political Science Association*. Available at: https://sites01.lsu.edu/faculty/voegelin/wp-content/uploads/sites/80/2015/09/Suisheng-Zhao.pdf (Accessed: 03 August 2021).

Zhao, S. (2013) 'Foreign Policy Implications of Chinese Nationalism Revisited: the strident turn', *Journal of Contemporary China*, 22(82), pp. 535–553. Available at: https://doi.org/10.4324/9781315772172-2.

Zhao, S. (2018) 'A revisionist stakeholder: China and the post-world war II world order', *Journal of Contemporary China*, 27(113), pp. 643–658. Available at: https://doi.org/10.1080/10670564.2018.1458029.

Zhao, S. (2022) 'From Affirmative to Assertive Patriots: Nationalism in Xi Jinping's China', *The Washington Quarterly*, 44(4), pp. 141–161. Available at: 1https://doi.org/10.1080/0163660X.2021.2018795.

Zhou, F. (2016) 'Between assertiveness and self-restraint: understanding China's South China Sea policy', *International Affairs*, 92(4), pp. 869–890. Available at: https://doi.org/10.1111/1468-2346.12657.

Zhou, L. (2020) 'What is RCEP and what does an Indo-Pacific free-trade deal offer China?', *South China Morning Post*. 12 November. Available at: https://www.scmp.com/news/china/diplomacy/article/3109436/what-rcep-and-what-does-indo-pacific-free-trade-deal-offer (Accessed: 03 June 2022).

Zhou, S. (2016) 'dong meng zai qu yu he zuo zhong de zhong xin di wei ping xi |东盟在区域合作中的中心地位评析| ASEAN Centrality in Regional Cooperation: Status Quo and Challenges', *China international studies*, 62(6), pp. 29–42.

Zhou, J. (2019) 'China's Core Interests and Dilemma in Foreign Policy Practice', *Pacific Focus*, 34(1), pp. 31–54. doi: 10.1111/pafo.12131.

Zhu, Z. (2020) Interpreting China's 'Wolf-Warrior Diplomacy': What explains the sharper tone to China's overseas conduct recently?*, The Diplomat,* 15 May. Available at: https://thediplomat.com/2020/05/interpreting-chinas-wolf-warrior-diplomacy/ (Accessed: 03 July 2021).

Zweig, D. (2018) *Internationalizing China*. Cornell University Press.

Appendix. List of Tables and Figures

Table 1.1 Different types of foreign policy change

Tactical Change	Adjustment Change	A state implements modest and quantitative changes in the level of effort (greater or lesser) and scope of recipients: for instance, improving its military assistance and increasing its amount and extent of foreign aid.
	Program Change	A state's foreign policy goal remains unchanged, but the methods or means to address the goal change.
Strategic Change	Goal Change	A state's foreign policy goal is replaced or modified. For example, this happened in the Vietnam War when the US accepted that South Vietnam could not withstand military attacks from North Vietnam and hence refrained from deploying additional American combat forces.
	International Orientation Change	A state performs a 180-degree turn on almost every foreign policy, such as changing from a conservative to a radical stance. It consists of a redirection of its entire foreign policy orientation toward world affairs, entailing a fundamental shift in its international role and worldview; this type of change is rare.

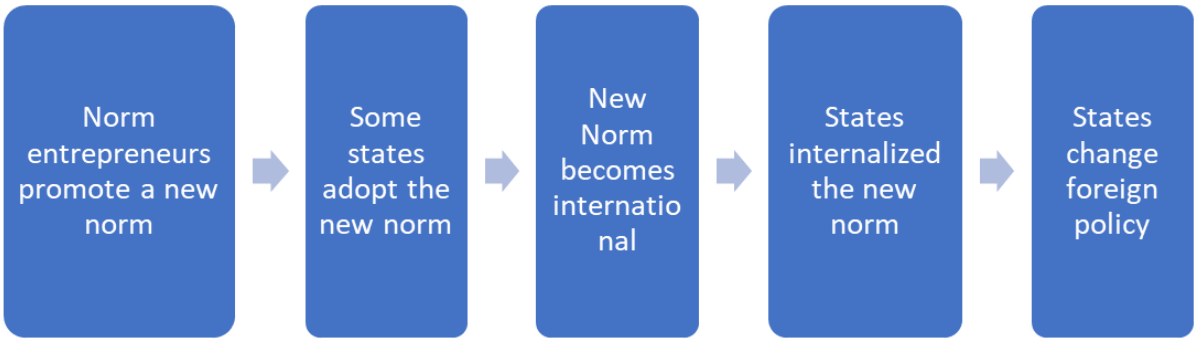
(Alden and Aran, 2017; Hermann, 1990)

Table 1.2 Categories of National Interest

Defence Interests	Protection of the nation-state and its citizens against the threat of physical violence directed from another state, and/or an externally inspired threat to its system of government.
Economic interests	The enhancement of the nation-state's economic well-being in relations with other states.
World Order interests	The maintenance of an international political and economic system in which the nation-state may feel secure, and in which its citizens and commerce may operate peacefully outside its borders.
Ideological interests	Protection and furtherance of a set of values which the people of a nation-state share and believe to be universally good.

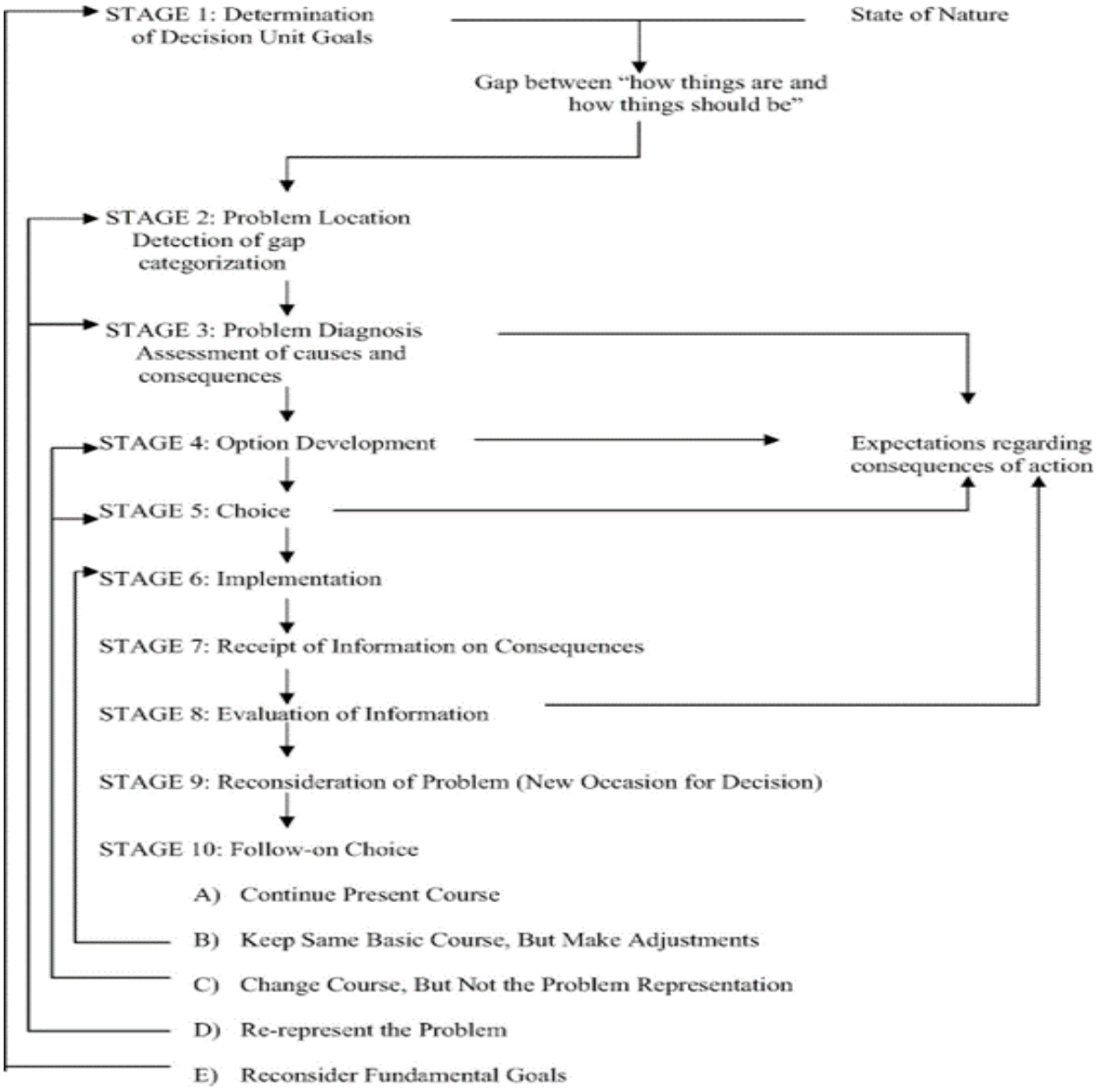
(Nuechterlein, 1976, p.248)

Figure 2.1 The normative life cycle model



(Finnemore and Sikkink, 1998)

Figure 2.2 The key stages in sequential decision making



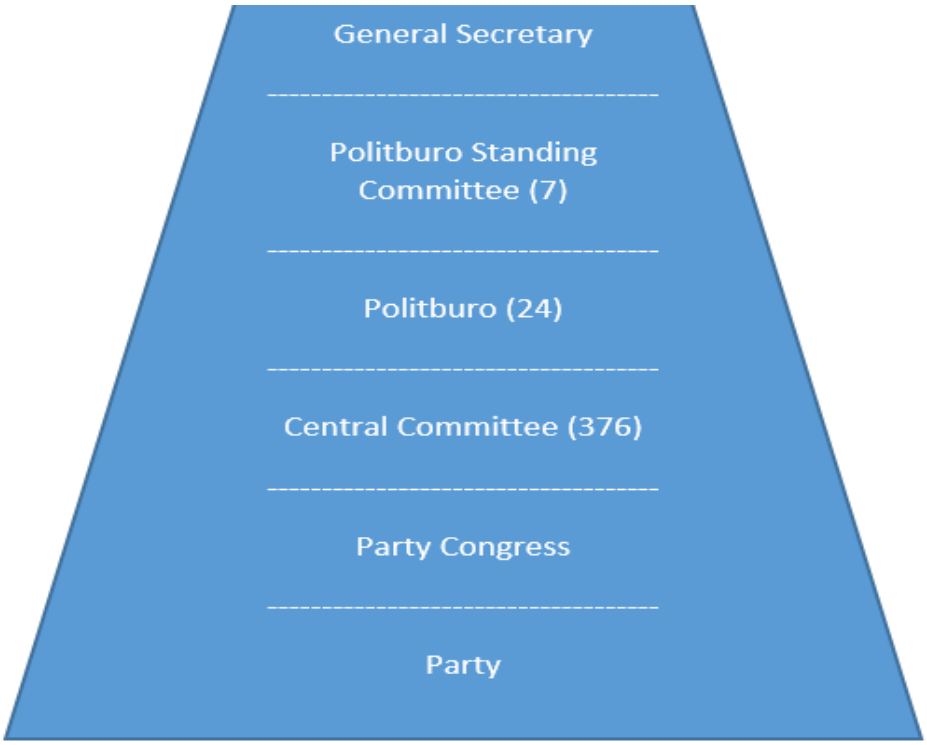
(Billings and Hermann 1998, p.57)

Figure 2.3 Summary of China's Support for Different Orders

Order	Domain	Key Norms	Key Institutions	Contestation among Actors within the Order	China's Support
constitutive	defines main actors and their identities	sovereignty, territoriality	UN, international governmental organizations	low	high
military	regulation of military capabilities	non-aggression, limits on certain weapons	UN Charter, arms control treaties, UN peacekeeping operations	medium?	medium?
political development	how states aggregate domestic interests	liberalization, democratization, human rights, responsibility to protect	UN human rights conventions, International Criminal Court	medium?	low
social development	how states treat welfare of groups and individuals	right to development, non-discrimination, greater protection of individual choice	UN human rights conventions on social and economic rights; treaties on women, children, the disabled	low to medium?	low to medium
trade	how states manage cross border flows of goods and services	free trade	World Trade Organization, Group of Twenty, regional foreign trade agreements	low	medium
financial	how states manage cross border flows of capital	liberalization, transparency, accountability	International Monetary Fund/ World Bank, national development banks, stock markets	low	medium
environmental	how states manage cross border pollution flows	precautionary principle; developed/developing	Montreal Protocols, Kyoto, Paris Agreement	medium to high (after Trump election)	medium to medium high?

(Johnston, 2019, p.57)

Figure 2.4 CCP's overlapping tiers



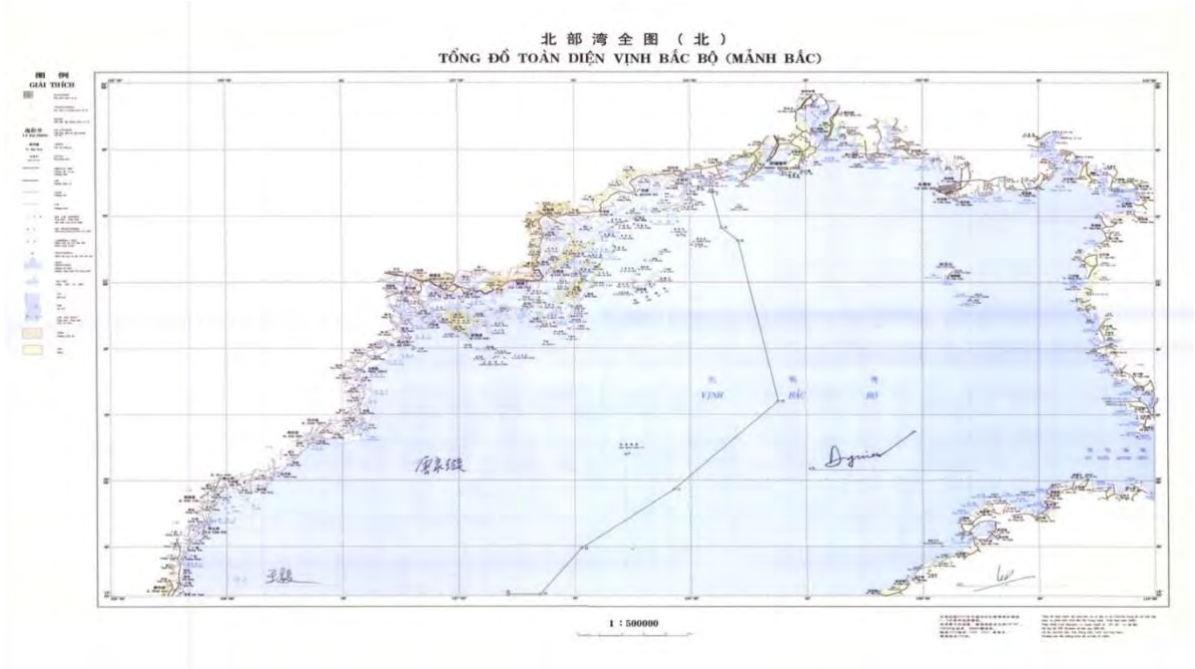
(Source: the author, 2023)

Table 3.1 Number of news reports on the SCS

Year	2007	2008	2009	2010	2011	2012	2013	2014
Number of Reports	40	18	27	47	77	94	137	142

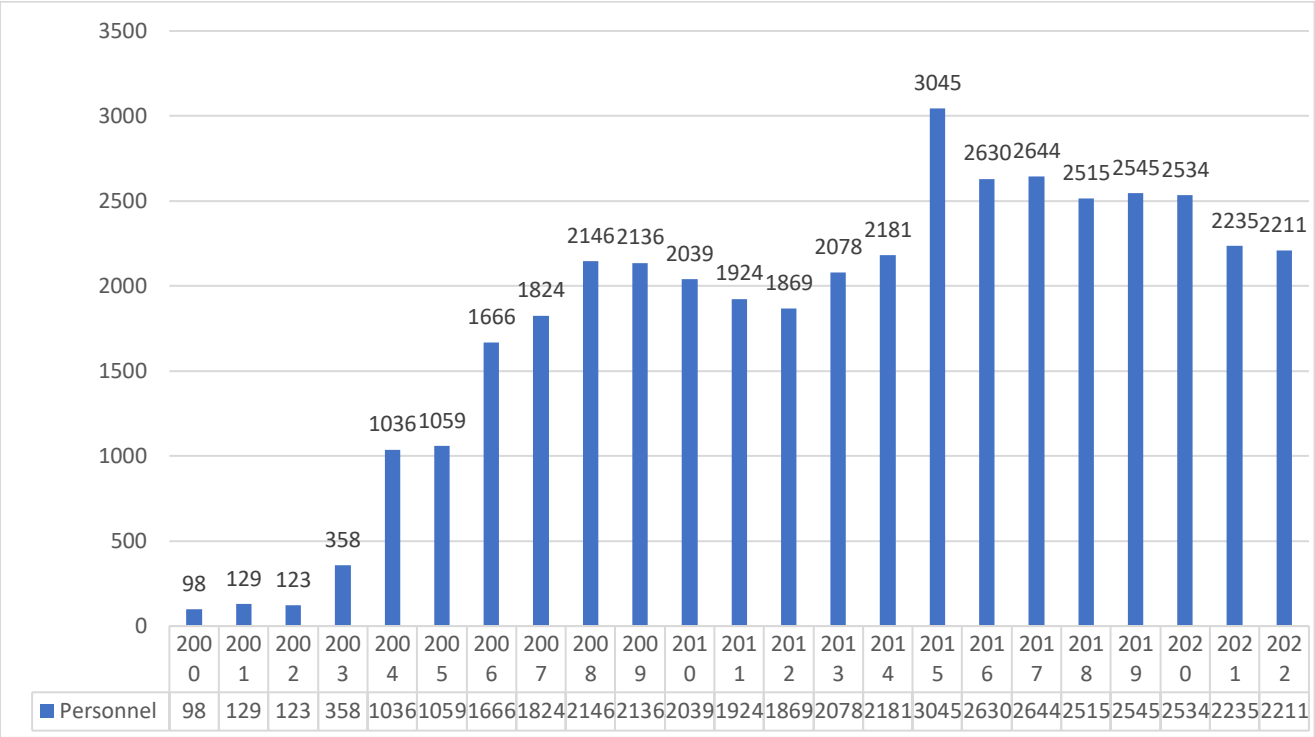
(Table made by author; Source: People's Daily database and China Digital Library database, 2020)

Figure 4.1 Map of the Agreement between the People's Republic of China and the Socialist Republic of Viet Nam on the delimitation of the territorial seas, exclusive economic zones and continental shelves of the two countries in Beibu Gulf/Bac Bo Gulf



(Source: Treaties.un.org, 2023)

Figure 4.2 Chinese troop and police contributions to UN missions, 2000-2022

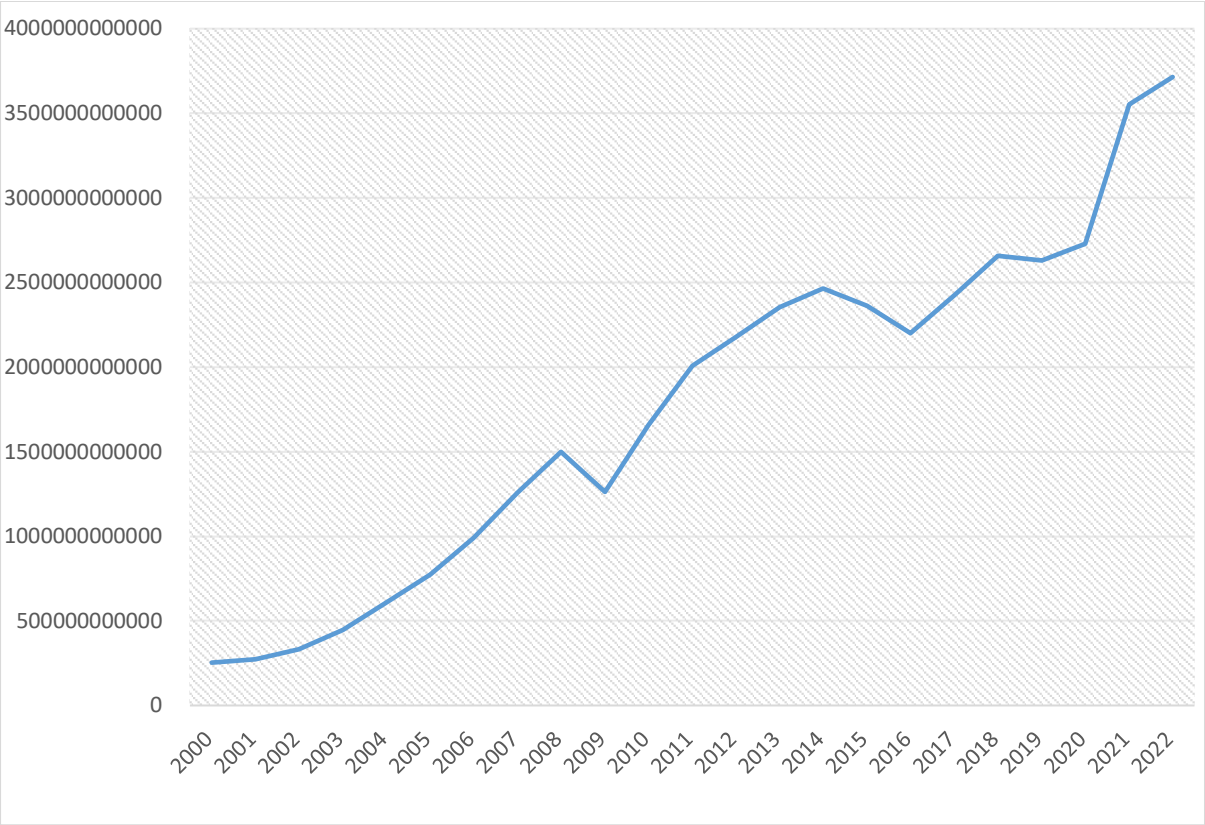


(Figure made by author, Source: Peacekeeping.un.org, 2023)

Figure 5.1 One Belt and One Road Map

(Title named by author, Source: Xinhuanet.com, 2022)

Figure 5.2 Exports of goods and services (current US$) – China



(Figure made by author, Source: World Bank website, 2023b)

Table 6.1 Number and Frequency of Different Narratives from 2007 to 2014

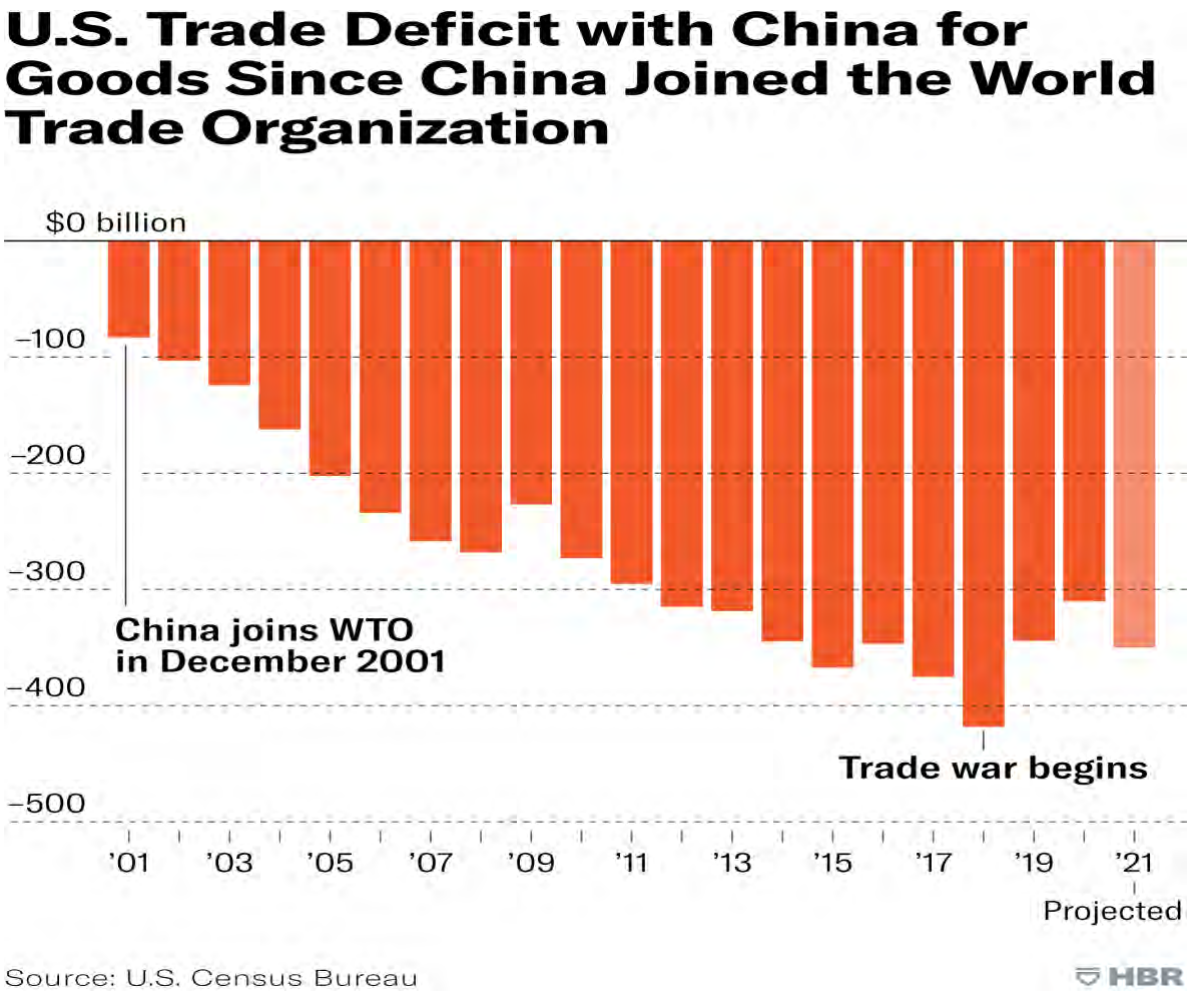
Time / Narrative	2007	2008	2009	2010	2011	2012	2013	2014
Leadership of Party and Government	10 0.250	6 0.333	12 0.444	22 0.468	27 0.351	45 0.478	55 0.401	39 0.275
Pro-foreign country	17 0.425	11 0.611	8 0.296	14 0.297	43 0.558	20 0.212	40 0.292	39 0.275
Anti-Great Power	0 0	0 0	0 0	6 0.128	24 0.312	30 0.319	23 0.168	34 0.239
Pride	7 0.175	0 0	6 0.222	11 0.234	6 0.078	3 0.032	6 0.044	12 0.085
Victim	1 0.025	0 0	3 0.111	7 0.149	26 0.338	43 0.457	32 0.234	49 0.345
Victor	7 0.175	2 0.111	7 0.2592	8 0.170	20 0.260	25 0.266	13 0.095	25 0.176

(Table made by author, Source: People's Daily database and China Digital Library database, 2020)

Figure 6.1 Comparative Frequency of the Six Narratives from 2007 to 2014

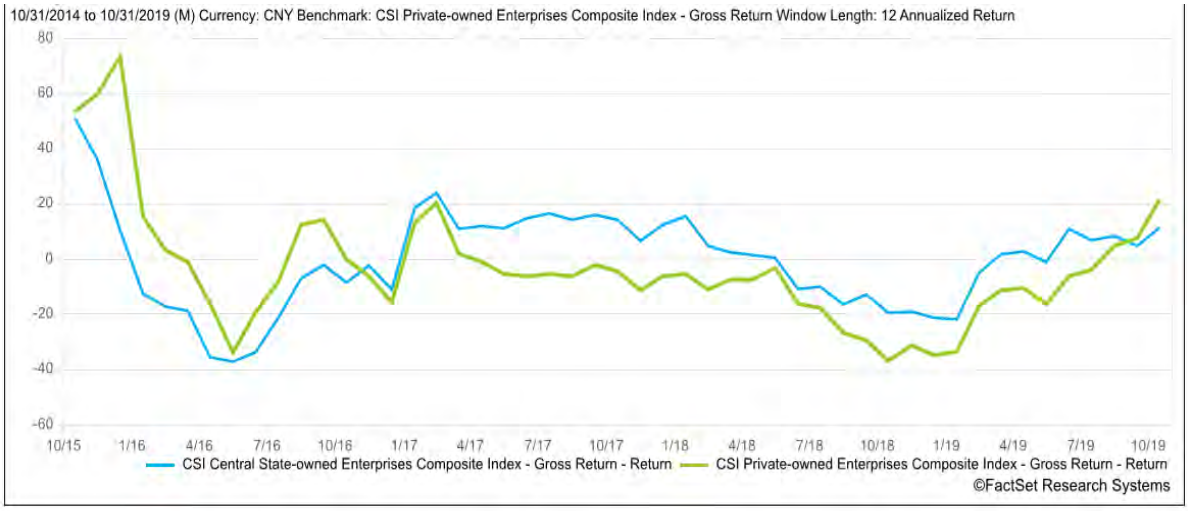
(Figure made by author, Source: People's Daily database and China Digital Library database, 2020)

Figure 7.1



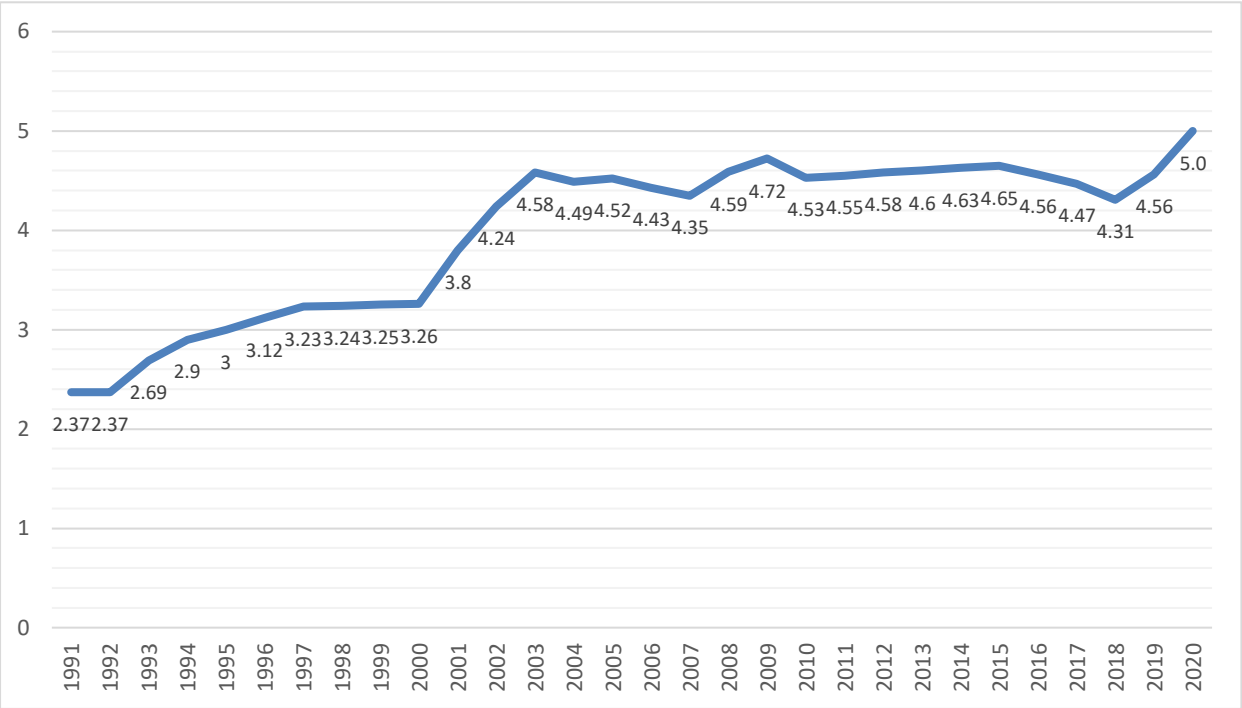
(Source: Hout, 2021, hbr.org)

Figure 7.2. Annual Return of SOEs and POEs



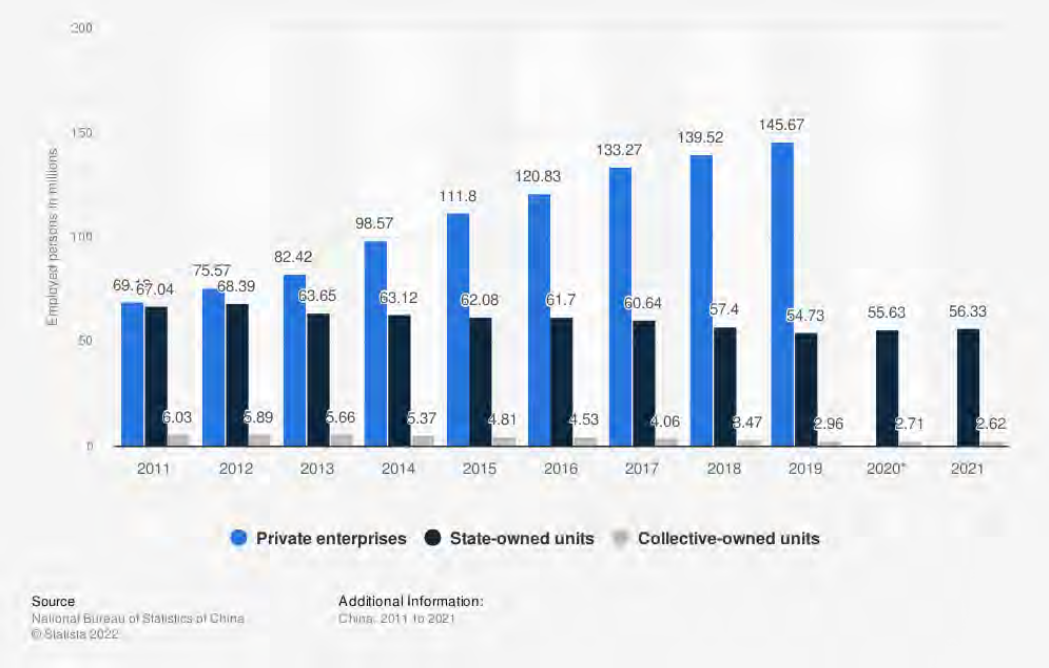
(Source: Hissey, 2019, insight.factset.com)

Figure 7.3 Unemployment, total (% of the total labour force) (modelled ILO estimate) – China (1991–2020)



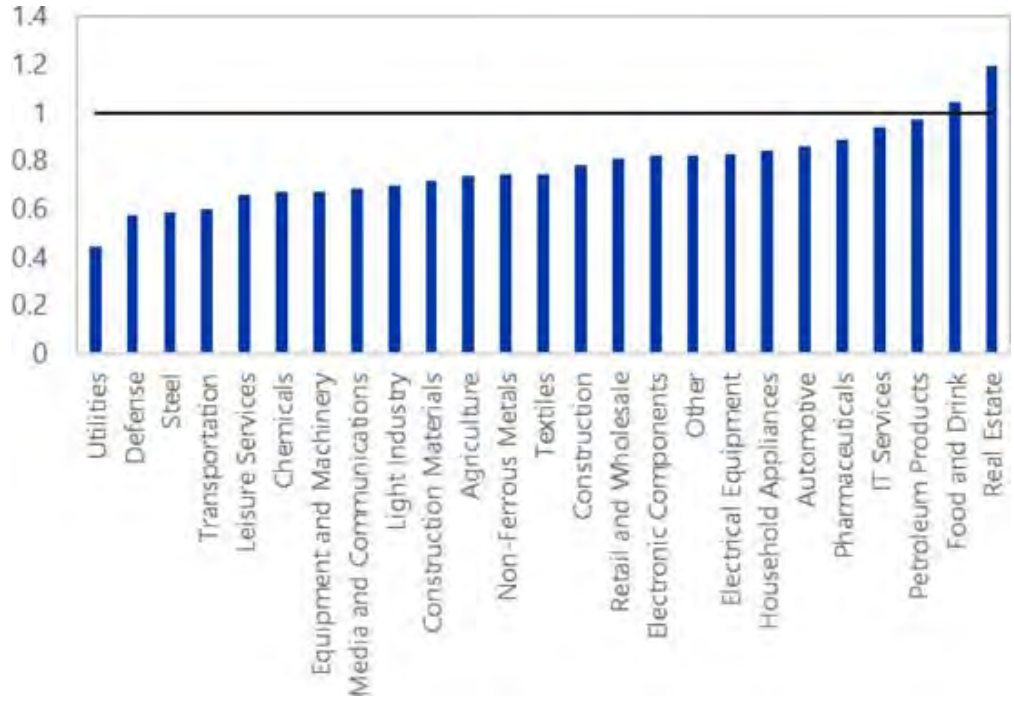
(Figure made by author, Source: World Bank website, 2023c)

Figure 7.4 Number of employees at state-owned, collective-owned and private enterprises in urban China from 2011 to 2021 (in millions)



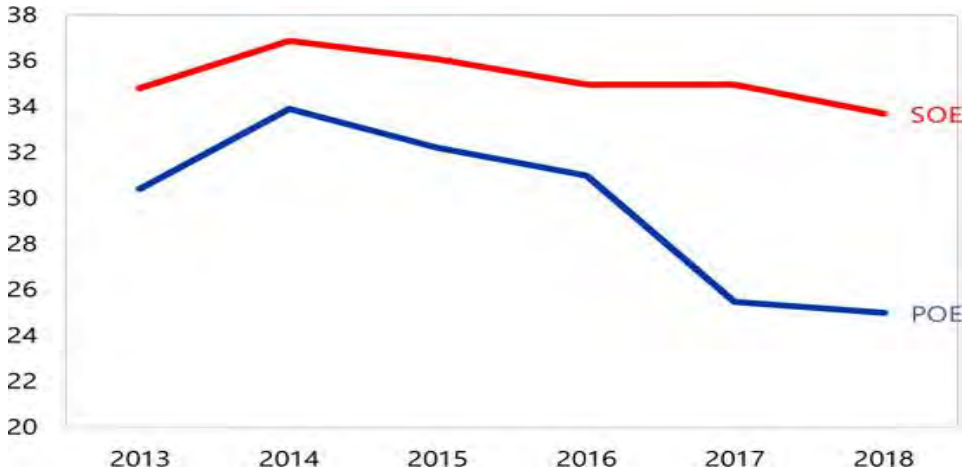
(Source: statista.com, 2022)

Figure 7.5 Chinese SOE/POE productivity gaps by sector in 2020 (Productivity gap, POE=1)



(Title revised by the author, Source: International Monetary Fund, 2021)

Figure 7.6 The percentage of highly indebted SOEs and POEs from 2013 to 2018



(Title revised by the author, Source: International Monetary Fund, 2021)

Figure 7.7 The leverage ratios of SOEs with low productivity and those of POEs with high productivity from 2002 to 2018

(Title revised by the author, Source: International Monetary Fund, 2021)