

INSTITUTE FOR CULTURAL DIPLOMACY

**CASE STUDY: HARD POWER OR SOFT POWER?**

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**SEARCHING FOR CHINA'S USE OF SOFT POWER IN THE PURSUIT OF THE  
ECONOMIC COOPERATION FRAMEWORK AGREEMENT WITH TAIWAN**

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**20.9.2010**

## **Introduction**

Soft power as an alternative to hard power has become an increasingly popular topic both inside and outside China in addressing the peaceful rise of the world's most populous country. Chinese Politicians, businessmen and academics have constantly stressed the need and the opportunities of using soft power instead of hard power to manage China's international relations. Working to achieve closer political interaction with Taiwan, Beijing has succeeded in getting Taipei to approve the Economic Cooperation Framework Agreement (ECFA), which has the potential to significantly increase the mainland's influence over the island. In this short paper, I will attempt to investigate if one can distinguish clear soft power strategies in China's pursuit of the ECFA. The underlying assumption of my research is that Taipei signing the ECFA served Beijing's political interests of achieving closer interaction and of bringing the island closer into the mainland's sphere of influence. Due to China's growing emphasis on the use of soft power, my research will focus on two questions; was Beijing's pursuit of the ECFA in line with its increased emphasis on the use of soft power and did Beijing employ its soft power in forging the trade deal? Further questions include if one can distinguish soft power elements in the mainland's attempts to persuade Taipei to sign the agreement? How about hard power elements? What role did mainland China play in creating the ECFA? At the risk of oversimplifying the factors leading to the creation of the agreement, I will only focus on Beijing's actions and exclude the effects on Taiwan's domestic policies with the exception of briefly summarizing the internal politics and reasons to sign the pact therefore showing the effects of China's soft power on the island.

Before I start examining these questions, I will provide a theoretical framework in the first section of this paper. I will discuss the content of soft power as described by several political analysts and theorists, most notably by Joseph S. Nye Jr. The purpose of the second section is to give an idea of the many definitions attached to soft power and lay out the analytical tools for the third section in which I will go through the ECFA in detail and in the fourth section I will shed some light on Taiwan's domestic politics. In the fifth section, I will discuss if one can distinguish clear soft power strategies in the mainland's pursuit of the ECFA and if these strategies are in line with China's use of soft power with other countries. A conclusion can be found in the final section.

## **Soft Power**

Although definitions of power vary considerably among the scholars, power is generally used to explain a capability of one actor to change or influence the behavior of another actor. Robert Dahl defines power as a capability of getting others to do something they would not *otherwise* do.<sup>1</sup> This kind of definition of power requires not only capabilities but also knowledge of others' interests. In order to achieve a desired outcome and their political goals, actors employ different power strategies that can generally be categorized as either hard or soft. The usual distinction between hard power and soft power is that the behavior-changing ability of the former relies on coercion and the latter on attraction and persuasion. According to Joseph S. Nye, hard power resources include coercive capabilities such

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<sup>1</sup> Dahl (1961)

as military and economic means whereas the soft power resources are based on culture, values and institutions.<sup>2</sup>

Because of its conceptual and theoretical flexibility, Nye and soft power have been constantly criticized. Brantley Womack, for example, claims that the concept suffers from analytical fuzziness. Womack criticizes soft power's unclear theoretical structure of attention, attractiveness and persuasion and claims that each of these should be treated individually. According to Womack, attention follows the concentration of capabilities and resources, so for Womack, the United States of America is often at the center of attention. Other actors are able to gain attention but, when lacking the ability to affect others, it is because of their lack of capabilities. The second dimension, attraction, is based on individual judgment shaped by the interests of the receiver. The third dimension, persuasion, is a completely interactive concept on which soft power rests. Compliance without coercion or sanctions is persuasion. Persuasion as a concept is not however straightforward since it also requires the recipient side to accept the use of soft power and to be adaptive to it.

According to another scholar on soft power, Alexander L. Vuving, the popular idea of soft power suffers from certain misunderstanding such as seeing power and power behavior in terms of power resources. This "vehicle fallacy" as Vuving calls it, derives from the fact that any use of power relies on the use of some resources. Vuving argues that power is synonymous with the resources but that the same resources can produce different kinds of behavior. For example, moral values can be used to persuade others or put pressure on somebody, the former being a use of soft power and the latter hard power. Vuving draws a distinction between power resources and power currencies. Power currency is a property that causes power and is itself a property of resources and activities. To Vuving, soft power is thus a power to attract and the currencies of attraction are benignity, brilliance and beauty.

Vuving defines benignity as the attitude of the wielder of soft power towards the clients of soft power. Its effectiveness is based on reciprocal altruism that produces gratitude and sympathy. Harmfulness, egoism and aggressiveness are the opposite of benignity. Reciprocity can be bilateral or multilateral as reciprocal altruism as a product of indirect benignity.

Brilliance then refers to the high performance of doing things. Brilliance produces soft power through admiration. Brilliance means the capability to do something successfully. Copying one actor makes him famous for his talent, which then contributes to his reputation making it harder to resist him.

Beauty refers to the actor's ideals, values, causes and visions, which then produce soft power with other actors with similar values, visions and morals. Beauty's soft power mechanism is the production of inspiration. *"Beauty is..about the resonance that draws actors closer to each other through shared ideals, values, causes or visions."*

In short, in Vuving's view, it is neither the resources nor the behavior that make soft power but the power currencies.<sup>3</sup> In addition to Nye's, Womack's and Vuving's notions of soft power, there are many

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<sup>2</sup> Nye ( Summer,1990:177-192)

<sup>3</sup> How Soft Power Works, in: Alexander L.Vuving. Paper Presented at the Panel " Soft Power and Smart Power," American Political Science Association Annual Meeting, Toronto, September 3, 2009

other definitions. Steven Lukes for example came up with the three faces of power. The first one is to make and implement decisions, the second one to set the agenda or to limit or extend what is being discussed and the third one is the power to manipulate others' preferences.<sup>4</sup> Another scholar is Walter Russell Mead who instead of terming them hard, smart and soft, identified two types of hard power: sharp and sticky, and two types of soft power: sweet and hegemonic. Mead described the difference between the military and economic power as the former being sharp and the latter sticky.<sup>5</sup>

Despite the seemingly obvious distinctions between hard and soft power of the former being coercive and the latter non-coercive, there are some theoretical caveats in both their definition. Power, both hard and soft power, can be seen from many different viewpoints and what constitutes soft power depends on the scholar defining it. When it comes to power, there are certain general features to it. First of all, power is always based on inputs or resources. Secondly, actors using power aim at achieving a certain outcome that suits their interests. Thirdly, inputs and outcomes do not necessarily dictate how they are used or achieved. Following Vuving's view, I think power behavior or the method of using power resources stands apart from resources. According to Nye, different power resources are related to a certain kind of behavior although he acknowledges that the relationship between resources and behavior is not straightforward.<sup>6</sup> Moreover, the relationship of inputs and outputs is not clear-cut, that is, even the possessor of the most abundant resources does not always meet the goals of an actor. Power is resources, behavior and outcomes. Agreeing with Womack, I think soft power is not the absolute antithesis of hard power, the so-called second face of power, but that it is closely linked and, in fact, subordinate to hard power, since if economic resources are hard power resources, then every use of any power is based on hard power. Interestingly, in his earlier work, Nye makes a confusing contradiction when, first, claiming that money is different from power<sup>7</sup> and, later, writes that economic assistance belong to traditional power resources along with military power.<sup>8</sup> As will later be seen, economic capabilities and resources can be classified as either hard or soft power and among scholars there is really no consensus. Economic power as foreign aid or a trade embargo are more easily understood as forms of hard power because they are based on raw, physical power, or in short, quantifiable resources.

When it comes to the purpose of this paper, searching for China's soft power strategies in seeking the ECFA with Taiwan, it becomes necessary, on one hand, to define soft power in a way that allows a feasible analysis to be made and, on the other hand, to specify Beijing's traditional approach to the use of soft power what I will discuss in the third section of this paper. My own idea of soft power is that it is a both physically and rhetorically non-coercive and nonmilitary kind of behavior. The analysis will focus on finding the abovementioned non-coercive, non-military aspect in China's approach to the ECFA.

### **The ECFA in Detail**

Having been unable to find the actual contract on the Economic Cooperation Framework Agreement, the information I present in this section is mainly based on various news articles.

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<sup>4</sup> Dowding, Keith: Three Dimensional Power: A Discussion of Steven Lukes' Power: A Radical View. London School of Economics and Political Science. Political Studies Review: 2006 Vol 4, 137.

<sup>5</sup> Walter Russell Mead, "America's Sticky Power," *Foreign Policy*, No. (March/April 2004), quotations pp. 46, 50.

<sup>6</sup> Nye (Summer, 1990: 182)

<sup>7</sup> Nye (Summer, 1990) 159)

<sup>8</sup> Nye (Summer, 1990) 164)

As a result of China's integration into the world economy, the trade between Taiwan and the mainland has grown from 31.5 billion US dollars in 2001 to 132.8 billion dollars in 2008. In spite of a 17% drop between 2008 and 2009 in bilateral trade as a result of the international financial crisis, trade is expected to retain its growth.<sup>9</sup> Although economical benefits are clear, the trade between the mainland and the island still heavily favors Taiwan, as its export goods are worth 66 billion dollars but its import goods are only worth 31 billion dollars.<sup>10</sup> It is very likely that the ECFA will further reinforce this current imbalance of trade. According to the calculations of the Peterson Institute for International Economics, Taiwan could watch its aggregate economy grow by 5.3% annually until 2020.<sup>11</sup> According to another paper, the ECFA would increase Taiwan's economic growth by 1.65% to 1.72% and it will create more than 250 thousand jobs. Moreover, the ECFA gives Taiwanese companies a decisive advantage in moving into the Chinese markets and investing in the mainland. The ECFA would lower the tariffs on 14 billion dollars worth of goods and 539 Taiwanese products, in comparison to the products from the mainland, which will only see reduction of 3 billion dollars worth of goods on 267 different products.<sup>12</sup>

Before the ECFA, the mainland imposed a tax of 15% to 20% on Taiwanese exports.<sup>13</sup> Over the course of the next two years tariffs will be gradually cut to zero.<sup>14</sup> In addition to trade, the ECFA will also include a provision for investments.<sup>15</sup> Taiwanese companies and individuals will be able to invest in altogether 11 different service sectors in the mainland, whereas the mainlanders will have an access only seven sectors such as finance, insurance and accounting.<sup>16</sup> Furthermore the ECFA also provided the program of early harvest, which will concern critical industries, enabling them to benefit from the tariff reduction earlier than others.<sup>17</sup> These sectors will include textiles, machinery and car parts. The ECFA is expected to increase foreign investment to Taiwan, especially from the mainland. Firms already operating in the mainland are expected to increase their purchases from the island, thus securing Taiwan's manufacturing jobs. Tourism in Taiwan is also likely to benefit from the effects of the ECFA as laws regulating mainlanders entering the island will also be loosened. The number of tourists from the mainland visiting the island is already 70% higher than last year<sup>18</sup>, although the international financial crisis could have lowered the number in 2009. A few areas excluded from the agreement are labor and agricultural products. Apart from high-earning white collar workers, Taipei does not allow Chinese labor into Taiwan.

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<sup>9</sup> Bureau of Foreign Trade, Taiwan.

[http://ekm92.trade.gov.tw/BOFT/web/report\\_detail.jsp?data\\_base\\_id=DB011&category\\_id=CAT1206&report\\_id=171989](http://ekm92.trade.gov.tw/BOFT/web/report_detail.jsp?data_base_id=DB011&category_id=CAT1206&report_id=171989)

<sup>10</sup> Bureau of Foreign Trade, Taiwan.

[http://ekm92.trade.gov.tw/BOFT/web/report\\_detail.jsp?data\\_base\\_id=DB011&category\\_id=CAT1206&report\\_id=171989](http://ekm92.trade.gov.tw/BOFT/web/report_detail.jsp?data_base_id=DB011&category_id=CAT1206&report_id=171989)

<sup>11</sup> Daniel H. Rosen & Zhi Wang. Deepening China-Taiwan Relations through the Economic Cooperation Framework Agreement by Peterson Institute for International Economics. June, 2010

<sup>12</sup> BBC on June 29th, 2010

<http://www.bbc.co.uk/news/10442557>

<sup>13</sup> [http://www.chinadaily.com.cn/hkedition/2010-08/19/content\\_11173555.htm](http://www.chinadaily.com.cn/hkedition/2010-08/19/content_11173555.htm)

<sup>14</sup> Bloomberg Businessweek June 29th, 2010 <http://www.businessweek.com/news/2010-06-29/china-pulls-taiwan-closer-with-historic-trade-deal-update1-.html>

<sup>15</sup> Bloomberg Businessweek June 29th, 2010 <http://www.businessweek.com/news/2010-06-29/china-pulls-taiwan-closer-with-historic-trade-deal-update1-.html>

<sup>16</sup> Bloomberg Businessweek June 29th, 2010 <http://www.businessweek.com/news/2010-06-29/china-pulls-taiwan-closer-with-historic-trade-deal-update1-.html>

<sup>17</sup> Bloomberg Businessweek June 29th, 2010 <http://www.businessweek.com/news/2010-06-29/china-pulls-taiwan-closer-with-historic-trade-deal-update1-.html>

<sup>18</sup> Bloomberg Businessweek June 29th, 2010 <http://www.businessweek.com/news/2010-06-29/china-pulls-taiwan-closer-with-historic-trade-deal-update1-.html>

Taipei's willingness to sign the ECFA has also been caused by the island's relative isolation and the desire to further integrate Taiwan into regional economic blocs. The ECFA might also open possibilities for Taiwan sign free trade agreements with other regional economies and economic blocs such as Japan, EU and U.S. The European Chamber of Commerce expressed their opinion of the ECFA in 2009-2010 Position Paper Overview that,

*"The sooner Taiwan signs the ECFA with China, the quicker the political impediments to other countries (including the EU) signing economic agreements with Taiwan will be removed."* (SOURCE)

### **Taiwan's Domestic Situation and the ECFA**

A brief overview of Taiwan's domestic politics is necessary in order to achieve a fuller picture of the implementation of the ECFA. Since the pro-Beijing president Ma Ying-jeou took power in the midst of high unemployment and international financial crisis in 2008, cross-straits relations have been drastically improving. Vowed to recreate relations to the mainland, Ma's administration, aside from starting trade negotiations with the mainland, brought back direct flights to China and loosened regulations applied to Chinese tourists and investments.<sup>19</sup>

The official rhetoric can be roughly divided into either political or economical arguments. The proponents of the deal, the President Ma Ying-jeou, Kuomintang and some 40% of the Taiwanese population, argue that Taiwan's export oriented economy badly needs a trade agreement.<sup>20</sup> Keeping the official discussion within the framework of economics and business, the Kuomintang and its politicians have hoped to prevent a more comprehensive dialogue about the possible political repercussions of the agreement. While this has been largely true, the supporters of the ECFA have constantly stressed that the deal will not weaken or harm Taiwan's sovereignty or political systems. In addition to the economic benefits of the agreements, the politicians have repeatedly stressed the need for strengthening ties with Beijing and stabilizing the cross-strait relationships. Furthermore, the Kuomintang and its political analysts are likely to have calculated the short-term benefits of the ECFA to be great enough to bring in more votes in the upcoming municipal elections in November. Perhaps unsurprisingly, a similar business rhetoric is also used by the Taiwanese businessmen and companies supporting the ECFA.<sup>21</sup>

The more positive attitude towards the mainland has not only been enabled by political actors such as the President Ma Ying-jeou and Kuomintang and but also because of structural factors such as dependence on trade with the mainland and on the cheap labor, high unemployment and inability to sign free trade agreements due to political isolation. Apart from the apparently positive economic benefits of the ECFA, the agreement also has some economical disadvantages such as the loss of jobs in sectors which risk of losing competitiveness. These sectors basically include everything and increase dependence on the mainland. On the political front, the Democratic Progressive Party (DPP) argues that the ECFA will further damage Taiwanese economy and bring Taiwan politically too close to the mainland. The opponents of the pact say that the ECFA will not only present a challenge to

<sup>19</sup> Bloomberg Businessweek, June 26<sup>th</sup> 2010. <http://www.businessweek.com/news/2010-06-26/taiwan-opposition-holds-rally-to-protest-china-trade.html>.

<sup>20</sup> <http://www.bbc.co.uk/news/10434768> June 29th, 2010

<sup>21</sup> <file:///C:/Users/Vejjo/Desktop/Arbeit%20und%20Wohnen/Case%20Study%20for%20ICD%20and%20Seminarwork%20for%20Frank/ecfa%20will%20investors%20to%20taiwan.htm>. Available from me, ja.mstnn@gmail.com

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Taiwan's economy but will pose serious challenges to Taiwan's sovereignty.<sup>22 23</sup> Before the ratification by the legislature, the opposition tried to alter the deal at the last moment by demanding article-by-article reviews<sup>24</sup> and demanding a referendum on the agreement.<sup>25</sup> Keeping the official discussion within the framework of economics and business, the DPP and its politicians have hoped to prevent a more comprehensive dialogue about the possible political repercussions of the agreement. Furthermore, Kuomintang and its political analysts are likely to have calculated the short-term benefits of the ECFA to be great enough to bring in more votes in the upcoming municipal elections in November.<sup>26</sup>

### **Soft Power and the ECFA**

The Economic Cooperation Framework Agreement is the first trade agreement between Beijing and Taipei since the end of the civil war. –Because of Taiwan's political isolation, Taiwan has genuinely wanted to sign the deal and, because of this, it should not be seen solely as Beijing's achievement. Beijing has however played an important role in making arrangements for the ECFA.

According to H.H Michael Hsiao and Alan Yang, China's most important soft power tactics are foreign aid, economic networking and cultural transmission. One of the most characteristic features in China's soft power strategy with South East Asian countries is the combination of economic diplomacy with soft power resources, including tourism, business investment and development initiatives. China's soft power strategies with South East Asia have focused on smile diplomacy, good neighbor diplomacy and public diplomacy. In general, there are four ways how China uses soft power in order to spread its influence. One of the methods Beijing uses to create ties with Southeast Asian governments is foreign aid. Secondly, by combining free trade agreements with development plans, Beijing attempts to create a long-term cooperation framework. Thirdly, increasing the attractiveness of its culture and raising cultural awareness, Beijing aims at creating pro-China environment by means of quasi-governmental projects. Finally, Beijing aims at enhancing the ties between private Chinese companies and overseas Chinese.<sup>27</sup>

According to a similar paper, the authors posit that China's soft power resources have grown to the point where the country can now challenge the United States' influence in Asia. According to the authors, China's rapid economic growth is the most important factor of its increased soft power. Regional policies aimed at creating a friendly and responsible image of China as well as reassuring China's smaller neighbors, have also all played a significant role.

Nam Cho and Ho Jeong's also note that China's most important soft power resources include China's model for development, foreign policy and culture.

Soft power has become a very popular topic in the Chinese media and politics and the Chinese have been very active in researching and discussing soft power. Despite their best efforts, soft power is still a rather contested topic and it lacks concrete definition.

<sup>22</sup> <http://www.bbc.co.uk/news/world-asia-pacific-11008076>. August 18th, 2010

<sup>23</sup> <http://www.businessweek.com/ap/financialnews/D9HLJQ7G0.htm> August 17th, 2010 Bloomberg

<sup>24</sup> [http://www.etaiwannews.com/etn/news\\_content.php?id=1313025&lang=eng\\_news&cate\\_img=83.jpg&cate\\_rss=news\\_Politics\\_TAIWAN](http://www.etaiwannews.com/etn/news_content.php?id=1313025&lang=eng_news&cate_img=83.jpg&cate_rss=news_Politics_TAIWAN) July 9<sup>th</sup>, 2010

<sup>25</sup> <http://www.chinapost.com.tw/taiwan/national/national-news/2010/08/16/268897/Pro-independence-groups.htm>. August, 16th, 2010

<sup>26</sup> European Chamber of Commerce, *2009-2010 Position Paper*

*Overview*

<sup>27</sup> Soft Power Politics in the Asia Pacific: Chinese and Japanese Quest for Regional Leadership, in: H.H. Michael Hsiao and Alan Yang

The so-called Beijing Consensus forms the core of China's soft power resources. Based on innovation, sustainability, equality and self-determination in foreign policy, the Beijing consensus is a development model suitable for countries suffering post-transition economic adjustment, and, in fact, has replaced the Washington consensus in a number of countries. According to the authors, the Chinese development model is becoming more popular around the world, especially in the developing countries, in a way that constitutes a risk to the American soft power and the Washington Consensus. The development model, emulating the successful East Asian development put forth in Japan, South Korea and Taiwan, emphasizes the centrality of the state to economic growth and development. Export-led growth, industrial policies and high saving rate are examples of this model. Economically, the Beijing consensus has helped China achieve high growth rates and change the country's image from a poor, undemocratic, developing country to an economic power house. However, the model has little to offer to countries that have already industrialized and developed, thus, the authors claim, it is more likely to increase China's soft power among the non-democratic developing countries.

Besides the Beijing consensus, China's foreign policy combined with careful diplomatic rhetoric about the peaceful rise theory and peaceful development is a second important part of China's soft power resources. Originally termed as 'the peaceful rise' but later changed to 'peaceful development', plays a significant role in China's foreign policy as it moves China's focus away from the United States to its own neighbors. The peaceful rise also illustrates Beijing's desire to gain more influence in world politics and to move from emphasizing economic power to aggregate national power. The purpose of the peaceful rise theory is to reassure other countries that China will not constitute a risk because of its domestic economical needs, and that, instead of being opposed to globalization, China wants to take part in it what will create prosperity and stability throughout Asia and the world. Peaceful development, quite similarly to the peaceful rise theory, argues that peaceful development is the only way for China to create and achieve prosperity and that it is in China's interests to create and maintain a peaceful world order while at the same time solving its domestic problems and needs. The authors write that, by emphasizing the peaceful rise and development, China seeks acknowledgement of its grown power from other countries.

A third important part of China's soft power resources is the Chinese culture or civilization as the authors call it. Chinese civilization enables China to seek moral leadership in East Asia. According to the authors, Chinese civilization is China's biggest asset of soft power. The values connected to Chinese history and culture can be used in diplomacy to create common Asian values by leaning on, for example, Confucianism.<sup>28</sup>

According to several other scholars, China's most important soft power resources are economic aid, trade, foreign policy and spreading of the Chinese culture. Brian McCartan, for example, writes that

*“China's soft power campaign has taken the form of increased foreign aid, economic networking, including the establishment of free-trade areas, and cultural transmission to encourage pro-China sentiment in the region.”<sup>29</sup>*

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<sup>28</sup> China's Soft Power: Discussions, Resources and Prospects, Young Nam Cho and Jong Ho Jeong. Asian Survey, Vol. XLVIII, No.3, May/June 2008.

<sup>29</sup> A Helping Chinese Hand: Trade and Aid with Southeast Asia, in: McCartan, Brian.



A similar statement can be found H.H. Michael Hsiao's and Alan Yang's article, *Soft Power Politics in the Asia Pacific: Chinese and Japanese Quests for Regional Leadership*. Hsiao and Yang write that

*".. foreign aid, comprehensive economic networking and cultural transmission as state-initiated prongs form the core of its (China's) soft power resources."*<sup>30</sup>

Judging from these summaries, China's soft power resources are mainly based on economics, foreign policy and the spreading of the Chinese culture. Considering China's use of these resources, a question arises if China has applied these resources on pursuing the ECFA. Reflecting on the aforementioned foreign aid, economic networking and cultural transmission gives a reason to assume Beijing was applying soft power at least when forming economic relations. Establishing a free trade area with Taipei corresponds to all of the quotes. However, none of the texts did specify nor define the concept, which raises the question of the exact content of soft power. Having discussed the problems of defining soft power in the second section, I identified a rather strict method of looking for soft power that, in my opinion, refers to a non-coercive behavior-based use of power. Non-coercive meaning non-violent and behavior-based meaning that it is more behavior than the possession of resources in defining a type of power. In the case of the ECFA, the generous trade terms are certainly not coercive but they cannot be considered foreign aid either. As such they don't really fit into Beijing's traditional soft power strategies mentioned before. Although foreign aid forms one pillar of China's soft power strategies, China has generally favored free trade and arrangements aimed at creating more trade-oriented relations over aid-based relations.<sup>31</sup> Actually, Beijing's lavish offer resembles more a bribe than anything else.

Soft power elements in China's attempts to bring Taiwan closer to the mainland through the ECFA are debatable. There are definitely a few clearly distinguishable soft power elements in Beijing's strategy towards Taiwan. Perhaps surprisingly, taking into account China's approach towards the ASEAN and African countries, China's soft power strategy in pursuing the ECFA with Taiwan has been based more on hard power than on soft power. One could argue that any soft power element between Beijing and Taipei is a rather new phenomenon as the relations between the two capitals have frequently been outright hostile. First of all, under current circumstances, the mainland is keeping the island under constant military threat. Although China's capabilities to attack and invade the island are probably greater than the island's capabilities to plausibly defend itself, the mainland's navy, air forces and long-range artillery may be considered less sophisticated than the island's'. However, the overall force surpasses that of Taiwan's. In theory, China could take over the island but only by incurring high costs in terms of military troops, civilian losses in the nearby Fujian province and increasing uncertainty to both its businesses and international relations. Thousands of missiles pointing at Taiwan can certainly be considered a threat but the question is whether one can consider a threat as an example of the use of soft power. The speculation starts here. By putting forth a threat can be considered hard or soft power but taking into account the lack of physical interaction in presenting a threat, I will consider it soft power. It is certainly an interesting question, if hard power in action means just physically coercive or if it can also include verbal coercion. If hard power is only physically coercive and soft power encompasses everything else then the concept of soft power

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<sup>30</sup> Soft Power Politics in the Asia Pacific: Chinese and Japanese Quest for Regional Leadership, in: H.H. Michael Hsiao and Alan Yang  
<sup>31</sup> <http://www.bbc.co.uk/news/world-asia-pacific-11326384> September 17th, 2010

becomes more dependent on hard power resources because threats, at least the real and plausible ones, can only be put forth if the stating actor actually has resources to base the arguments on. Moreover, if soft power relies on attention, attraction and persuasion in the sense that the other actor feels attracted and, without external force, voluntarily accepts others' actions, then China's threats only fulfill the notion of attention which leads to forced persuasion. In my opinion, if hard power could be said to be the use of violence, then in addition to physical violence, there is also verbal violence meaning that the coerciveness of military action can be taken to a verbal or rhetorical level. China explicitly threatens war against Taiwan if the island continues to cause cross-strait tensions by continuing its own separatist policies. However, lacking physical coercion, I will consider the military threat put forth by Beijing as soft power.

A part of China's soft power strategy is the spread of Confucius Institutes. Confucius Institutes are a core component of China's soft power strategy, or campaign to increase its influence and accomplish its goals through the appeal of its language and culture.<sup>32</sup> There is a Confucius Institute in Taiwan<sup>33</sup> but, considering the institute's goals of spreading Chinese language and culture, how effectively can the institute work in Taiwan? China's soft power strategies might work in countries where knowledge of the Chinese culture and language is minimal. By wielding cultural and linguistic understanding, Beijing hopes to overcome these problems. But how well can these strategies work in Taiwan? Culturally and linguistically, Taiwan is already Chinese, which leaves the question of whether the usual soft power strategy of mainland China is effective. Moreover, Taipei's deep-rooted suspicion developed during the Cold War towards China's authoritarian political system is another factor weakening the mainland's attractiveness. Clearly manifested in the majority's opposition to political unification, the PRC's one-party rule and their hard line politicians continue to be a major obstacle to China's ultimate goal of political unification. I would argue that China's use of cultural diplomacy in form of spreading its culture through the Confucius Institutes is significantly weaker in Taiwan than elsewhere because of the common language and culture. Furthermore Taiwan's case is still rather different since the island, unlike most of the ASEAN countries, faces a direct military threat from the mainland. China has to do undoubtedly more in order to increase its soft power with Taiwan.<sup>34</sup>

### **Conclusion**

The initial question and purpose of this short paper was to explore if it is possible to distinguish soft power elements in China's pursuit of the ECFA. Based on the theoretical and practical part presented in chapters, the answer to the question is that it depends significantly on one's interpretation and understanding of soft power. First of all, as noted already in the second chapter, the theoretically flimsy basis of soft power provides few real answers about what soft power really is. There is very little room left for China's use of soft power with Taiwan since Beijing's emphasis on soft power rests more on cultural diplomacy and spreading Chinese language. Both of which can be rendered useless since the disagreements between the mainland and the island are based on politics and they share the same culture and language. Without any deeper insight into Taiwanese identity or culture, I would argue that China's emphasis is on soft power as cultural diplomacy. As a result of this, China's more traditional soft power strategies, which could be labeled as *Sinicization*, would not work on Taiwan

<sup>32</sup> [http://www.koreatimes.co.kr/www/news/opinion/2010/09/162\\_66625.html](http://www.koreatimes.co.kr/www/news/opinion/2010/09/162_66625.html)

<sup>33</sup> [http://college.chinese.cn/en/node\\_3768.htm](http://college.chinese.cn/en/node_3768.htm)

<sup>34</sup> Soft Power Politics in the Asia Pacific: Chinese and Japanese Quest for Regional Leadership, in: H.H. Michael Hsiao and Alan Yang

since the island is already a part of the Chinese cultural and linguistic cosmos. The dividing disagreement between Taiwan and China does not rest on cultural differences or the inability to understand each respective culture but on a disagreement over politics. In addition to that, China's strategy in pursuing the deal with Taipei has been based on generous economical offers in form of highly beneficial trade terms. Apart from some comments that could be considered one kind of use of soft power, China's strategy of pursuing the deal has been based on its long-term structural antagonism toward the island. In addition to indirect and direct military threats, Beijing has wielded its hard power by blocking other regional and global economic powers from signing trade deals with Taipei. China's strategy in pursuing the ECFA has also involved the use of soft power.

China's attempts at pressuring Taiwan to accept the ECFA are, at best, a mixture of both hard and soft power strategies, smart power as Nye calls it. However, if China's policies are to be looked at through strictly non-coercive and non-military lenses, the mixture of soft and hard power tilts in favor of the latter. Furthermore, Beijing's soft power strategies, although applied differently to each country, seem to make a drastic exception in Taiwan's case. As a donor of economic aid and cultural self-promoter, China's soft power strategies are better suited to influencing illiberal and poorer countries than democratic market economies. To conclude, if providing economic aid and incentives are removed from a soft power analysis because of their quantifiable nature, and if the mainland's attempts to influence the island culturally can be considered a waste of political resources due to the same culture - when the real juxtaposition can be found in politics and not in the inability to understand Chinese culture, then Beijing's policies toward Taipei are very much hard power and not uniform with its soft power strategies in, for example, Southeast Asia or Africa.

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