

ASEAN'S STRATEGIC OPPORTUNITY: SOFT POWER AND CHINA'S COVID-19 PUBLIC RELATIONS DEBACLE

Otto Federico von Feigenblatt Rojas

Resúmen / Abstract

The People's Republic of China made great strides in terms of increasing its soft power during the two decades preceding the COVID-19 Pandemic. Soft diplomatic tactics included soft loans to developing countries, scholarships, the establishment of Confucius Institutes in universities located in the Global North, and a very aggressive commercial diplomacy through a mix of private entrepreneurs and a well equipped consular corps. The present study focuses on how the COVID-19 Pandemic and the trade war with the United States has greatly weakened the PRC in terms of soft power. This weakening provides an important window of opportunity for regional competitors to attract much needed foreign direct investment. ASEAN countries are well situated to profit from the PRC's temporary soft power deficit but to do so they should follow a multipronged approach which includes: an expanded consular corps (both career and honorary), an increase in cultural diplomacy, and greater cooperation with universities in the Global North. The study concludes that ASEAN can play an important coordinating role in this much needed global repositioning process.

Palabras clave / Keywords

People's Republic of China, ASEAN, Soft Power, COVID-19, Foreign Direct Investment (FDI)

Cuerpo del trabajo / Paper content

The COVID-19 outbreak started in Wuhan province, People's Republic of China (PRC) (Feigenblatt, 2020; House, 2020; Organization, 2020). After decades of making gains in terms of soft power and concerted efforts to present the world with an image of a benevolent power, the outbreak became a public relations nightmare for the PRC (House, 2020). The PRC had invested considerable resources over the years in improving its international image (Brant, 2013; Callahan, 2008). This was particularly important after the Tiananmen Square incident and most importantly after the PRC joined the World Trade Organization and gradually became an economic powerhouse (Fenby, 2008). Greater economic clout, a more assertive military presence

in the South China Sea, and a long term strategy to increase domestic research and development, were viewed with suspicion by neighboring countries and in particular by the United States and to a certain extent by the European Union (Fenby, 2008; Hahm, 2006; Kim, Fidler, & Ganguly, 2009; Komori, 2009; Peneau, 2013; Santander & Martínez, 2010; Tow, Thakur, & Hyun, 2000; Vatikiotis, 2003). The PRC's choice to liberalize the economy without opening up the political system was a further challenge in terms of public image management (Fenby, 2008). Nevertheless the PRC implemented a very successful soft power campaign which included: soft loans for developing countries, assistance for infrastructure projects, the deployment of a very professional and well equipped consular corps, and increased university to university contacts through the Confucius Institute and similar arrangements (Frankel, 2011; Jones & Smith, 2007; Malik, 2013; Miller, 2009; Nair, 2008; Narine, 1997; Tow et al., 2000; Weitz, 2011; Yzawa, 2006).

The PRC was very successful in terms of cultural diplomacy during the last two decades (Muhametzyanov, Usmanova, & Somkina, 2019). It was able to harness its immense cultural resources to charm the world. While the PRC is not the only country to follow this approach it is certainly one of the few that has been able to consistently promote it as a viable counterbalance to fears about its increasing power and international influence (Santander & Martínez, 2010). One example of this very successful strategy is the proliferation of the Confucius Institute in universities all over the world. The idea of having cultural institutions focused on particular universities is not new but the magnitude of the spread of Confucius Institutes over a relatively short period of time is unique. Later sections of this paper will explain the strategic importance of the Confucius Institute as part of the PRC's soft diplomacy, but it is important to note that it is

part of a much larger effort which includes Chinese students, researchers, and academics strategically positioned in core universities.

On the commercial front, the PRC made very good use of its Diaspora. After years of promoting the idea of a Greater China, it was possible for the PRC to harness an immense network of ethnic Chinese entrepreneurs all over the world (HSIN-HUANG, HSIAO, & WAN, 2007). Fostering a sense of common culture and heritage, and a common ownership over the PRC's growth, these well connected businessmen effectively and efficiently amplified the PRC's reach to the far corners of the world.

The present paper argues that the public relations debacle of the COVID-19 pandemic and the Hong Kong protests have greatly tarnished the PRC's international image. A weakening of the PRC's soft power combined with important contextual factors such as American and European domestic politics have opened a rare window of opportunity for competitors to lure foreign direct investment and multinational offshore factories away from the PRC. This is a particularly attractive opportunity for ASEAN countries because of their strategic location and demographic advantages.

Theoretical Framework:

The present study follows a constructivist theoretical framework based on the idea of soft power originally presented by Joseph Nye (Miller, 2009; Tow et al., 2000). An important resource for nation-states is their international reputation, or public image (Miller, 2009; Tow et al., 2000). Intangible resources such as the relative attraction to a country's culture, perceived professionalism of the country's labor force, and the respect of the international community for the leaders of a particular country are important aspects of soft power. Another related concept is

track-two diplomacy which is a concept that emphasizes the role played by government officials in their private capacities as bridges between different countries and social networks (Yzawa, 2006). Finally, the concept of track-three diplomacy focuses on citizen to citizen diplomacy which is particularly pertinent for this study.

Methodology

The present study applies a modified version of grounded theory to official government reports, media articles, and academic publications, dealing with the phenomenon of soft power and the PRC post-COVID-19 (Charmaz, 2014; Creswell, 2007; Feigenblatt, 2013; Glaser & Strauss, 2009). Rather than follow the traditional guidelines of traditional quantitative research in terms of sampling, the grounded theory approach applies the constant comparative method until the main categories are saturated (Glaser & Strauss, 2009). Thus, grounded theory is guided by the data and data collection and analysis take place concurrently.

Analysis

The People's Republic of China has lost a considerable amount of soft power as a result of the COVID-19 Pandemic (Feigenblatt, 2020; House, 2020; Organization, 2020). Even though the reasons for the pandemic are complex, its spread to the rest of the world and the late warning from the PRC have eroded the good will that it had accumulated over many years. The COVID-19 pandemic was compounded by other crises directly affecting the PRC's reputation such as the widespread Hong Kong protests over legal reform (Peneau, 2013), the trade war with the United States, and the border conflict with India. Thus, a combination of socio-political and economic crises has battered the PRC's international reputation (Trump, 2020).

Evidence of the damage done by the previously mentioned crises can be found in official government pronouncements in the EU, UK, and the United States blaming the PRC for a variety of problems ranging from the COVID-19 Pandemic to corporate espionage (Fifield, 2020; House, 2020). Obvious and very visible signs of the deterioration of relations between the major powers and the PRC include the dramatic closing of the PRC's Consulate General in Texas, with the shocking images of smoke coming from the courtyard of the consulate and the firefighters and state department officials waiting to enter the premises after the 48 hour grace period, the announcement by the PRC's Ambassador to the UK that they will not recognize UK overseas passports given to Hong Kong residents, and the deadly clash between Indian and PRC troops in the Himalayas (Fifield, 2020; Hadano & Nakajima, 2020; Nalapat, 2020). Even more important for the topic of this study were the many public vows to move production and investment away from the PRC (Reynolds & Urabe, 2020). President Trump's "American First" policy had recommended this process much earlier but the difficult climate in terms of the PRC's waning soft power has given the policy some traction. Equally important are the pronouncements made by the Prime Minister of Japan and several corporate leaders announcing their plans to move their operations out of China (Reynolds & Urabe, 2020).

The previous paragraphs describe the temporary window of opportunity that has opened in Asia due to the waning of the PRC's soft power. Vacuums must be filled, and in the case of the PRC there are many factors to consider. The first aspect is which countries or regions are equipped to partially replace the PRC in terms of commerce and trade. A second issue is linked to the first, cultural diplomacy.

ASEAN countries are particularly well positioned to take advantage of this temporary vacuum. Their geographical location positions them to be trading hubs, Singapore being the

prime example (O. F. v. Feigenblatt, 2009a, 2009b; Feigenblatt, 2011a, 2012a; O. v. Feigenblatt, 2009; Kim et al., 2009; Komori, 2009). Several ASEAN countries are already competing against China in sectors such as textiles and seafood processing and thus would only need to scale their operations to increase their market shares. ASEAN countries are relatively stable in terms of governance and regional branding has improved considerably in the last decade thanks to the efforts of ASEAN (Limaye, 2007).

It should be noted that the Association of Southeast Asian Nations is not as highly integrated as the European Union but it has achieved considerable successes in promoting a softer form of regionalism (Narine, 1997, 1998; Nem-Singh, 2008). Cultural diversity is at the core of ASEAN and the member countries zealously guard their independence and freedom of action (Feigenblatt, 2010 2011a, 2011b, 2012a, 2013; O. v. Feigenblatt, 2009). Nevertheless ASEAN could take the lead in promoting the region as a good alternative to the PRC and to a certain extent it is already doing so.

One of the main challenges faced by ASEAN and by its member countries is limited resources. ASEAN itself has minimal resources as an intergovernmental organization and the individual member states tend to be developing countries, with the exception of Singapore, with relatively small budgets for foreign relations (O. v. Feigenblatt, 2009; Katanyuu, 2006; Komori, 2009). Moreover, the economic and socio-political crisis brought about by the COVID-19 Pandemic has put a strain on the resources of ASEAN countries (Feigenblatt, 2020).

Rather than retrench and follow a cautious approach during these difficult times, ASEAN countries could launch a well planned and targeted public relations campaign aimed at attracting foreign direct investment. Launching a diplomatic offensive can be an expensive endeavor but

there are ways to spread out the cost and to build strategic alliances with influential stakeholders. The PRC can be a great example of how to reach beyond the borders of traditional diplomacy. Accessing international business networks and epistemic communities can exponentially increase the influence of a country.

One useful tactic would be to increase the size of the corps of honorary consuls in strategic cities. Honorary consuls tend to be influential in their local communities and perform the duties of a career consul pro bono. One of the great strengths of honorary consuls is that they are allowed to perform their official duties but at the same time they can continue to participate in business and academia. Thus, they can use their business and community connections to perform their consular duties. Most ASEAN countries have very professional foreign service corps but their emphasis tends to be on diplomatic rather than on consular posts (ASEAN, 2009; O. F. v. Feigenblatt, 2009c; Feigenblatt, 2012a, 2012b; Komori, 2009). This is partly due to budget constraints. The problem with this emphasis on diplomatic posts is that their economic impact is limited to trade agreements and to some trade promotion activities. Career consular officials are overwhelmed with visa duties and other primary activities such as providing support to their nationals abroad. Moreover, career consuls may lack the contacts and understanding of the local business and political environment to promote trade and culture (Wood, 1965).

A proper blend of well placed businessmen and academics in the role of honorary consuls can exponentially increase the influence of a country's consular corps. Taking into consideration that the PRC's soft power has waned as a result of the COVID-19 Pandemic, a well organized public relations campaign implemented by a well staffed consular corps could be successful in wresting business opportunities away from the PRC and attracting those opportunities to ASEAN countries.

Limitations

The present study deals with an unfolding phenomenon. Moreover because of the nature of the PRC's unfolding public relations debacle it is very difficult to ascertain the degree of damage caused in terms of loss of Foreign Direct Investment. Furthermore, the qualitative nature of the present study means that further research is necessary so as to test the different conclusions and relationships discovered through grounded theory. Grounded theory does not fulfill the requirements of a truly representative study according to the quantitative canon (Charmaz, 2014; Creswell, 2007). Therefore particular aspects of the findings can be tested through quantitative methods and thus triangulate some of the conclusions.

Conclusions and Recommendations

The main conclusion of this study is that there is a temporary opportunity for ASEAN countries to compete against the PRC for foreign direct investment and business opportunities. In terms of recommendations, an expanded consular corps, strengthening cultural diplomacy, and tapping into international epistemic communities in both the academic and business worlds are key steps that can be taken by ASEAN countries to increase their influence and competitiveness at the international level.

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