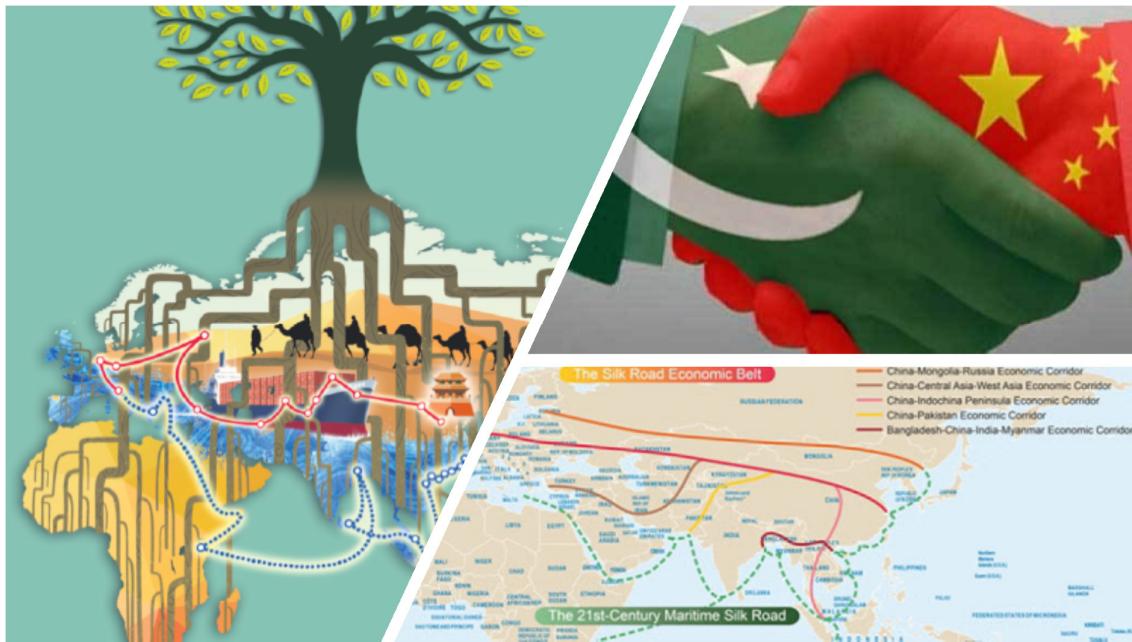


Understanding China for Future Cooperation

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Diplomacy Through Shared Prosperity

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1. Introduction

Harmony, prosperity and virtue have always been the pinnacle principles to devise foreign policies along the evolution of Chinese civilization. Prosperity is considered as the outcome of the implementation of principles of virtue and harmony. Hence, prosperity has a distinguished and crowning position in diplomatic discourse in Chinese civilization. The roots of this concept can be traced back to ancient times. The leading thoughts originates from the work of Confucius, Mencius, Taoism, Mohism, Buddhism, Yellow Emperor and Sun Zu.

Confucius assigns highest importance to righteousness and humanity for ruling the country and building international relations. He defines the guiding principles for the governance and diplomacy of state based on harmony and prosperity. He says that state should not look for expansion or use of force rather it should build win-win relations with other states. He also emphasizes right means of gaining prosperity and share it with others. He writes: *“In a State, pecuniary gain is not to be considered to be prosperity, but its prosperity will be found in righteousness”*¹. The message is very clear. The welfare and wellbeing of people in every aspect is the basic criteria for measuring the prosperity. He always advocates to govern by virtue, love and respect and not by force. According to him, prosperity must be preserved and must not be consumed at once. *“When prosperity comes, do not use all of it”*². Confucius thoughts were also resonated in the work of Mencius, as both concentrated on love, harmony and opposed the idea of war to extend influence³.

Prosperity has another relevance to Chinese diplomacy in the light of Tao’s teaching and philosophy. Taoism emphasis on the notion of moderation and harmony between humans and nature in defining the prosperity⁴. It concentrates more on virtue than wealth and accumulation of wealth. He denounced violence or use of power to govern, as it is the ultimate defiance of nature⁵. He chooses deity to realize the feeling of prosperity. The harmony between humans and nature remained central piece of his believe and strengths. The notion of “doing nothing” is very strong in his writings but it does not mean to be idle. It has spiritual meanings, which emphasis to get rid of greed and focus on humanity and look for inner satisfaction.

Yellow Emperor presents the practical example of implementation of Confucius and Tao’s thoughts and philosophy. He governed the country by virtue, love and wellbeing of people. He introduced the profession of taming the wild animals and their use in agriculture. He also looked for food diversification and taught people to grow lentils along other foods. Emperor’s

¹ <http://classics.mit.edu/Confucius/learning.html>, Chen, 1987, The Confucius Way,

² <https://www.forbes.com/quotes/1936/>

³ https://www.chinacenter.net/2014/china_currents/12-2/chinas-cultural-diplomacy-historical-origin-modern-methods-and-strategic-outcomes/

⁴ <http://data.socwel.ku.edu/candagrants/Gallery/HFC-Thumbnail/Taoism/Taoism%20page.htm>

⁵ http://afe.easia.columbia.edu/special/china_1000bce_daoism.htm

wife invented silk weaving and led the China to be the pioneer in this field. All these interventions helped people to be prospered but with fundamental believes in virtues and wellbeing as nation. It also shows that Yellow Emperor promoted the deeds by himself and prefer to work instead of sitting idle. In the later stages of his life, he devoted towards the deity and let his ministers run the state⁶.

The modern China started the journey by adhering to these principles and application of best practices according to the need of hour. As, China presents itself as the product of 5000 years' evolution and legitimate heirs of Confucius, Tao, Sun Zu and Yellow Emperor, thus it was necessary to have a snapshot of these ideologies and principles.

Learning from the century of humiliation is another guiding principle. Chinese assign great importance to these learnings because they feel they were treated badly, therefore they should avoid any such attempt in future.

2. Structure of Paper

The paper aims to explore the relevance of prosperity in Chinese diplomacy. However, it will start from the study of reforms of modern China. To study reforms is pre-requisite to understand the modern China and its diplomacy.

The paper has been structured as;

1. Brief History of Modern State of China
2. Interplay of Diplomacy and Prosperity
3. Strategy for Pakistan
4. Conclusion
5. Way Forward

The paper will focus on;

1. Rejuvenation of China
2. China's policy of "Go Global"
3. Prosperity and Diplomacy

2.1. Brief History of Modern China

The modern China emerged from the ashes of a century of humiliation (1840-1949). China had been forced to accept 1175 treaties by imperialist powers of the West. The period is also known as semi-colonial because foreign powers also established their influence zones⁷. Western countries systematically tried to destroy the country. Opium was used to defeat the will to resist. The impact of this period resonates from the policies and diplomatic principles of China. Although, national independence, sovereignty, territorial integrity and national

⁶ <http://karachi.china-consulate.org/eng/zggk/t263930.htm>

⁷ <http://en.people.cn/92824/92845/92870/6441512.html>

development are core principles since long but these got new importance since 1949. China steered its efforts in a phase-wise manner and covered the distance step by step.

2.1.1- Building Blocks of China

China, once a poor country struggling to survive, was devastated with continuous conflict and aggression of foreign nations. Western countries made it a point of interference. Japan even attacked the country and played havoc with its economy. Opium racked the social fabric of country. Western countries exploited the situation and played with the lives of people. The moral and ethical values left China alone, and economic gains were dictating their strategy of engagement. Domestic leadership was unable to counter the interference and focused more on oppressing the local people. In these circumstances, Communist Party of China (CCP) emerged on national landscape in 1921.

The Party started fighting a multifaceted war. Struggling simultaneously against the ruling elite and foreign interference, the Party had to fight to bring back the common people agenda on main stage. Foreign interference was undermining the national sovereignty. On top of all, development and economic growth was in dismal. Poverty was quite high in addition to high food insecurity, poor health and lack of opportunities for higher education.

The Party won back the country from ruling elite and foreign interreference in 1949. Right after taking over the country, the Party started reforms process in the country. Although the reforms are continuous and permanent feature of China, we will divide the reforms in eras or phases.

1. First phase of reforms: 1949-1977,
2. Second phase of reforms, 1978-2012
3. Third phase of reforms, 2013-Ongoing

2.1.2- First Period of Reforms (1949-1977)

It is a unique and interesting aspect that every reform period has its own principle contradictions. The first period of reforms started with Chairman Mao's principle contradiction, "proletariat versus bourgeoisie". He was convinced that China cannot move forward unless this bottleneck is removed. The resources were concentrated in few hands and majority of people were caught in extreme poverty and many other issues. Owing to these reasons, China become home to multifaceted problems after independence.

The GDP of the country was only ¥ 67.9 billion in 1952. Per capita income was merely ¥ 119. The economic structure was dominated by primary sector, 50.5: 20.8: 28.7 -1952. Life expectancy was only 35 years. China started its development journey from such poor conditions. However, the biggest problem was class difference, which had given birth to many social and political problems. The cultural revolution was launched to defeat the problem of class differential. It was deemed necessary to bring whole nation on one page. Although there

were different views about the cultural revolution, one of the dominant views was that it paved the way for future reforms and their implementation.

First period of reforms also focused on the following three evils.

1. Corruption
2. Waste
3. Bureaucracy

It is interesting to note that bureaucracy was designated as an evil. The Party put huge focus on streamlining the bureaucracy and changed its focus from ruling to service. The Party was struggling to find what to do with bureaucracy. The challenge was huge, as the country cannot be run without bureaucracy, but bureaucracy was not efficient rather, it was part of the problems. The party introduced a new formula, created a parallel stream of the Party officials to keep check and balance. At each level of governance, Party officials were assigned separate roles to play. The Party officials had good say in decision-making and implementation at all levels. It helped the system to deliver.

These reforms were in line with the thoughts of Chairman Mao, who wanted the Party to ensure a system which should focus on:

- *centralism and democracy*
- *discipline and freedom*
- *unity of will and personal ease of mind and liveliness*

This phase ended in 1977. It played a positive role to redefine governance in China. It created a generation, which was more focused on China and its people. . The biggest take away from this period, according to Zhou Enlai, is “Among other things, that the overwhelming majority of Chinese intellectuals had become intellectuals belonging to the working people and that science and technology would play a key role in China's modernization.”

2.1.3- Second Phase of Reforms (1978-2012)

The second phase of reforms started after the death of Chairman Mao. These reforms were guided by the second principal contradiction, i.e. “The ever growing material and cultural needs of people versus backward social production”. China initiated these reforms by giving impetus to economic growth and development. Deng Xiaoping set the action guidelines by saying “we should adhere to the basic line for a hundred years, with no vacillation”. The continuous efforts and focus turned around the economy of China and fate of Chinese people. The GDP of country touched the figure of ¥ 90.07 trillion in 2018 from ¥ 67.9 billion in 1952⁸. It was possible due to exponential growth. Pre-capita GDP also increased from ¥ 119 to 64600 in 2018. The basic structure of the economy has also been changed from primary to tertiary level and now China is knocking at the door of fourth industrial revolution.

⁸ <https://www.chinadaily.com.cn/a/201906/21/WS5d0c9068a3103dbf14329946.html>

The key of success was the decision of gradual opening of economy and joining the WTO in 2001. China's accession to WTO opened new doors of opportunities and China capitalized on it. In 2001, the GDP of China was US\$ 1.3 trillion, which crossed the figure of US\$ 14.5 trillion in 2019⁹. Trade sector also observed a tremendous growth. In 2001, the total trade volume of China was only US\$ 0.51 trillion, which touched the number of US\$ 4.6 trillion in 2019¹⁰.

However, the most significant and prominent success stories of China are poverty reduction and environmental contribution. China brought out 800 million people out of poverty trap by applying multi-dimensional strategy. On environmental front, China increased forest cover from 10.9 per cent to 22.6 per cent in 2016.

As China kept growing on economic front simultaneously, it also kept reforming its diplomatic engagement. In 1997, President Jiang Zeiman along with Russian president asked for enhancing the multilateralism¹¹. China also adopted the policy of Go Global and enhanced its interaction in 1999. The old policy of non-interference observed a new trend and the slogan of constructive engagement has emerged.

2.1.4- Third Phase of Reforms (2013-Ongoing)

The third phase of reforms started with the third Chinese contradiction principal presented by President Xi Jinping., who says: *"What we now face is the contradiction between unbalanced and inadequate development and the people's ever-growing needs for better life"*. He also pinned the rejuvenation of China. He is pursuing China Dream. However, the core elements such as prosperity, security, sovereignty and territorial integrity remain at the center.

President Xi is changing the whole dynamics of engagement. He has introduced assertiveness and clarity to achieve the China Dream. He is reforming the state institutions, defence and diplomatic engagement. He has also introduced the concept of dual circulation economy, which has roots in ancient thinking of Confucius and others. People's Liberation Army is on the course of change and becoming a reliable combat and attack force. National Security Commission has been established to smoothen the chain of command for matters of national security.

However, the biggest initiative is Belt and Road Initiative. Through the BRI, China is offering economic integration to the world and showing willingness to share its prosperity. Despite the huge opposition and smear campaign, it is getting momentum and now more than 129 countries joined the programme or ready to join. The ultimate goal of all these reforms is to attain the status of a developed country in all aspects in 2049, on the occasion of 100th anniversary of the state.

⁹ <https://www.investopedia.com/insights/worlds-top-economies/>

¹⁰ Xinhua 2020, 'Tough 2019 brings out China's resilience in foreign trade' China.org.cn, viewed 20 February 2020 http://www.china.org.cn/business/2020-01/15/content_75614046.htm

¹¹ https://www.foreignaffairs.com/articles/united-states/2020-06-09/how-hegemony-ends?utm_campaign=tw_daily_soc&utm_source=twitter_posts&utm_medium=social

2.2. China's Vision of Interplay of Diplomacy and Prosperity

3.1- Core Values

The diplomacy of modern China evolved side by side with economic, social and development reforms. Nevertheless, the China's diplomatic vision revolves around the core values of "development, security, national sovereignty and territorial integrity". These principles always remained at the heart of every reform and action. The Five Principles of peaceful co-existence, which highlight the importance of non-interference, territorial integrity and sovereignty of States are equally important for China. The elements of principles resonate the core values of the China's vision of international relations.

The core values and Five Principal of co-existence make China's Vision of international relation different from the Western discourse. The salient features of Chinese international relations are prosperity, non-interference, believe in diversity in true sense, ensured wellbeing and equality. China defined it through the prism of prosperity, as it is more comprehensive description and it includes wellbeing, happiness and satisfaction of humans.

3.2- Diplomatic Journey of Modern China

The diplomatic journey of modern China started with the fierce opposition of USA and Western countries. It was continuation of hegemonic behavior of Western countries, which started in 19th century. First, UK launched opium war and compelled China to accept unfair treaties. China broke the shackles in early 20th century and continued its struggle to achieve freedom. The continuous struggle resulted in the establishment of People's Republic of China in 1949. It officially ended the century of humiliation.

Independence introduced new complications for China. China's adherence to the ideology of communism ignited the West and they perceived China as a threat to their ideology of capitalism. Although, West advocated for diversity, they, in fact, tried to squeeze the place for China. The first and foremost challenge for China on diplomatic front was to counter the American's aggression on multiple fronts. USA created numerous hitches on economic, development and social fronts. America applied strict economic and diplomatic instruments to isolate and keep China poor¹². China, having no other options joined the socialist bloc and joined Non-Aligned Movement (NAM).

China left the socialistic bloc due to hegemonic behaviour of USSR and difference in execution of reforms and governance. China strongly believes in Chinese characteristics of socialism. The border disputes also give impetus of hot conflicts. In 1969, USSR and China engaged in hot conflict, which resulted in losses to both sides. It further sharpened the divide between two nations. The complication in relations gave birth to new challenges for China's

¹² <http://en.people.cn/92824/92845/92870/6441512.html>

diplomacy. China was already going through the cultural revolution and tense relationship with USSR aggravated the situation.

The circumstances compelled China to look for new avenues, strategies and ways to execute its diplomacy. Chairman Mao became closer to Non-Aligned Movement and introduced a new concept of “Three Worlds”. The concept was developed to counter the first world’s hegemonic behaviour. China presented itself as the protector of third world from first world, especially from USA and USSR¹³. The concept is more align to the Chinese civilization, as the purpose was to save and fight the miseries of common people. The basic elements of concept were drawn from the revolution in China, which was triggered by people’s desire to change the status quo and now China to replicate it at global level.

The difficult relations between China and USSR urged USA to redefine its engagement strategy with China. USA started taking it as opportunity and initiated a process of building diplomatic relations¹⁴. Pakistan helped both countries to forge the partnership. Pakistan organized informal meetings between Chinese and American diplomates and leaders. The talks led to formal relationship. USA recognized the due status of Communist Party as legitimate government and representative of people of China. China was given the seat in the UN Security Council.

The next phase of reforms in diplomacy followed the opening up policy of the country for enhancing economic and development linkages. Deng Xiaoping led the country and transformed the very sector of state. China emerged as formidable economic country. The emergence also attracted disturbance and bad mouthing from the opponents. China did not give attention to it, but the Tiananmen Square incident changed the whole dynamics. China consulted the old book of cultural diplomacy and constructive engagement. Wang Huning led the discourse and asked country to engage and spread the message of our country through soft means of diplomacy¹⁵. The efforts led to launch of new policy of China in 1999, “Go Global”. The Mantra of Constructive Engagement was used to enhance the sphere of Go Global policy. The Go Global has two distinct characteristics, 1) build relation based on mutual respect and benefits 2) share the fortune of China with other countries. It is practical description of China’s believe in mutual respect and growing together. These are the elements of the prosperity.

¹³ Satoshi Amako (2014) China's Diplomatic Philosophy and View of the International Order in the 21st Century, *Journal of Contemporary East Asia Studies*, 3:2, 3-33, DOI: <https://doi.org/10.1080/24761028.2014.11869073>

¹⁴ <https://www.history.com/this-day-in-history/soviet-union-and-chinese-armed-forces-clash>

¹⁵ https://www.chinacenter.net/2014/china_currents/12-2/chinas-cultural-diplomacy-historical-origin-modern-methods-and-strategic-outcomes/#fn-2755-4

The concept of prosperity is getting more prominence in the diplomatic policy of New Era of China. President Xi Jinping has deep affiliation with the concept of prosperity. He places prosperity at the center of his China Dream and Shared Destiny policy.

3.3- President Xi Jinping Philosophy

President Xi is committed to conducting diplomacy by adhering to Chinese characteristics¹⁶. He holds the view that existing theories and practices of diplomacy have certain shortcomings which needs to be removed for a better world. He has introduced two new concepts for international relation, which challenge the existing theories and practices;

1. The first concept asks to depart from the past mentality of alliances and work on building partnerships. Alliances need opponents if not enemies, which strive to create winners and losers. In the process, it divides world and people. We have already witnessed the phenomena during the cold war.
2. The second, concept is to engage the world in a win-win economic and development cooperation. It should avoid the practices which create losers and winners. The widespread inequality across the world is the outcome of this approach. He is equally attentive on the principals of security, sovereignty and territorial integrity of China but not at the cost of other countries. The purpose of all interventions and guidelines provided by President Xi is to promote the concept of shared prosperity. He has emphasized on it at multiple occasions and at different forums including national, regional and global.

President Xi's philosophy is shaped by his affiliation with Taoism, Marxism, Socialism with Chinese characteristics and teaching of Chinese elders. He streamlined his philosophy to achieve the goal of shared destiny by the Chinese characteristics at the heart. He tried to convince the world that the only way for human prosperity is cooperation which can help to achieve the common goal of peace and development on sustainable basis. For that purpose, the world will have to adhere to the goal of shared destiny through shared prosperity. He launched Belt and Road Initiative (BRI) to materialize the dream of shared prosperity and destiny. The initiative has been supported by Silk Road Fund, AIIB and many other national institutes through funding and technical support.

Second, important idea is justice, at all levels. He argues that peaceful world is not possible without dispensing justice, especially in economic sector. He asked all the global leaders to cooperate, respect each other, do not interfere, share the developments and treat everyone with the principal of equality and respect. He is marching national institutions to apply these instruments to pursue the prosperity but not at the cost of others' prosperity. That's why, he always concentrated on the win-win cooperation and advised his institutions to stick to this concept.

¹⁶ Su Ge Xi, Jinping's Strategic Thought Guiding Chinese Diplomacy

Third, he is the advocate of global institutional reforms without disturbing multilateral system. He believes there is need to refine the global structure to fulfil the requirement of humanity and ensure the equality. He wants a more respectable interaction among the countries. He is of the point of view that major powers should distillate on wellbeing of humanity and should not try to engage in meaningless conflicts or confrontation. To achieve these objectives the global institutions will have to adopt the changing dynamics through reforms. Presently, the global system has structural imbalances in the favor of Western countries. The imbalance is spread across all leading institutions like IMF, World Bank, UN, UN Security Councils etc.

President Xi is also pursuing the concept of “*dialectical unity of several relationships*”¹⁷. He is actively following this concept and is strengthening the existing forums and looking for new one. The most prominent engagements on this front are China-Arab Cooperation Forum, China-Central and Eastern European Countries, China-Latin America and Caribbean Countries, China-Africa Forum etc. President Xi has also BRI forum to facilitate the cooperation among BRI countries. He himself assumed the role of chief diplomat. He is visiting countries to achieve the goal of building partnerships by offering win-win cooperation.

China Dream is another major goal, which President Xi has presented and is following with full vigor and dedication. He is trying to infuse the concept among everyone, especially among the youth. The China Dream has two objectives, 1) prosperity at domestic level and then share with world, 2) legitimate position of China at global stage. The prosperity is one of the key objectives of China Dream. President Xi assigned this task to himself. As a first step, he implemented the concept at domestic level. He formulated policy and set goal to end poverty at home till 2020. The success at domestic level has strengthened his commitment at global level.

He has also launched BRI to fulfil the requirements of second part of prosperity objective, i.e. shared prosperity with other countries. The fair position of China is second goal, but it goes hand in hand with the first one. China is seeking to reclaim its place by extending prosperity to other countries and BRI is one of the instruments to achieve it. However, it is pertinent to mention here that China is using BRI as instruments to enhance prosperity and reclaim rightful position but not extending the sphere of influence to build alliances. China gives equal importance to the concept of shared prosperity because China thinks the legitimacy can only be proved through wellbeing of everyone.

However, President Xi is also cognizant of the fact that China will have face challenges and opposition from the existing powers. Thus, he is very open to counter any such attempt. State Councilor Mr. Wang put this in his words as “*We never pick a fight or bully others. But we have principles and guts. We will push back against any deliberate insult, resolutely defend our national honor and dignity, and we will refute all groundless slander with facts*”¹⁸. This give us clear picture

¹⁷ http://gd.china-embassy.org/eng/gywm_1/dsjhjwz/t1646405.htm

¹⁸ <https://thegeopolitics.com/a-new-era-for-chinas-wolf-warrior-diplomacy/>

of vision of President Xi. It is the need of hour , as USA and Western countries trying to follow the law of hammer, as they had applied at many other countries. However, it will not be successful in the case of China, as China has economic, social and military instruments to respond it.

To pl, he thinks ay a formidable role based on principal of prosperity and shared destiny China needs to be reformed first. Since the inception of his presidency he is busy in reforming and refining national institutions. He introduced the holistic approach in security matters and refined the defence and diplomacy according to emerging needs of countries. He established National Security Commission and reformed the structure of PLA and related institutions.

Second, he is very much focused on eliminating corruption. He considers it the basic requirement to dispense justice and ensure prosperity of people at domestic level and globally. It is all about the integrity and President Xi is very much concerned about the integrity of individual and China as a country. President Xi thinks It is also pre-requisite to achieve the “China Dream” .

3.4- Shared Prosperity and Diplomacy

Li Zhaoxing, during his speech at Beijing forum 2007, said China reached Kenya in 15th century much before the discovery of America. China was a rich country at that time, full of resources and power. However, China did not invade the locals and came back with only Giraffa, not slaves or gold¹⁹. It is contrary to what happened in America. It is also contrary to what European did to Aboriginal people in Australia. USA and Europeans deprived locals of their land, resources and even snatched their identities through forced separation of their children form families. This is also contrary to what UK did to sub-continent and stolen trillions of dollar wealth. This is tag line which China always used to highlight that they are interested in building relation for mutual benefit not for exploitation.

It is anchored in old tradition and believing of Chinese people. It is in line with the teaching of Confucius, Tao and others. He explained that prosperity for everyone, irrespective of borders, is cornerstone of Chinese diplomacy. It can only be achieved through the harmony. The modern China policy is adhering to these principals and China will continue to pursue it. Another prime element of foreign policy is nationalism²⁰, which is evident from all the interventions. Nationalism emerged from the lessons of century of humiliation. Western countries imposed harsh treaties and exploited the China. The opium trade got legal status under the pressure of UK. Businessmen from UK and America made their fortunes by opium war.

President Xi is steering modern day diplomacy by taking guidance from the teachings and principals of elders and lessons learnt during opium war. President Xi has envisioned China

¹⁹ Li Zhaoxing, Harmony and Chinese Diplomacy, Beijing Forum, 2007

²⁰ <https://www.jstor.org/stable/23461927?seq=1>

as a country, which is fair, ready to cooperate, share its prosperity with other but will not tolerate insult, humiliation or bullying. It is not rhetoric; he is supporting it by actions. The corner stone of his policy is shared prosperity to achieve the goal of common destiny²¹. The Chinese President, on multiple occasions, has explained his vision of shared prosperity and shared destiny. He has initiated different programmes to materialize the dream of shared prosperity such as the Belt and Road Initiative in 2014.

Belt and Road Initiative (BRI) is a hallmark intervention by China. It is helping China to devising new instruments of engagement for mutual benefit and shared destiny. Silk Route Fund along with national institutions like Export-Import Bank and many others are providing funding for the BRI initiatives at affordable interest rates. BRI is also following the Go Global 2.0 policy of President Xi to steer the process of engagement, mutually beneficial investment and promoting peace through development. It is a refined version of Go Global 1.0, as China felt that Go Global 1.0 has some shortcomings which needs to be removed. President Xi urged the policy makers to refine it according to the rules of the modern investment regime, shared prosperity and constructive engagement. China also put enormous focus on building the capacity of national investors and institutions to understand the global dynamics of investment and legal framework²².

However, the opponents are portraying it as a great threat to national sovereignty of participating countries. USA is leading a smear campaign against BRI. It is also portraying it as debt trap and Sri Lanka is being quoted as prime example, which is built on self-assumed data and perceptions. Further to strengthen its campaign USA launched its own programmes like Better Utilization Investment Leading Development (BUILD). USA is also busy in looking for ways to implement the Pivot of Asia policy to contain China investment and engagements. It has developed a group of fours America-Thailand-Japan-India to counter the China. These actions resonate the 1950s policy of the USA, which was devised to isolate and undermine China at any cost.

Despite all the propaganda BRI is going well and many countries and international bodies have joined the initiative. So far, 126 countries have reportedly been joined BRI and many countries are in negotiation. In terms of population, almost 61 per cent population (4.5 billion) is part of BRI. These countries account for US\$ 29 trillion of global economy. International organizations like UNs, IMF and many other have already joined the initiative.

The good news is that BRI has started to deliver and there are studies which suggest that BRI will contribute for world development and prosperity. According to World Bank reports in 2019 BRI will help world to sustain economic growth and development. The most interesting aspect is that Non-BRI countries will also benefit from the gains of BRI related investments. According to report, BRI will reduce travel time by 12 per cent in BRI economies and 3 per

²¹ <https://thediplomat.com/2017/10/the-community-of-common-destiny-in-xi-jinpings-new-era/>

²² <https://policy.cn.com/wp-content/uploads/2017/05/2017-Chinas-going-global-strategy.pdf>

cent in non-BRI economies. Trade will get a boost between 2.7-9.7 per cent and 1.7-6.2 per cent in BRI and non-BRI countries respectively. Real income will observe a boost of 1.2-3.4 per cent and 0.7-2.9 per cent in BRI and non-BRI countries respectively. Further it was calculated that 1 per cent increase in global real will be equivalent to US\$ 930 billion in 2014's prices. There is an expected increase of 3.4 per cent and 2.6 per cent in GDP of BRI and non-BRI economies till 2030²³.

BRI will not only contribute to economic indicators but it will also help tackle the social and development issues. For example, it is expected that BRI investment will help to lift 7.6 million populations from extreme poverty (US\$ 1.90). Further, it will help to lift 32 million people from moderate poverty (US\$ 3.20). Major beneficiaries would be the developing countries (4.3 million, extreme poverty, 26.7 million moderate poverty). Return to factors of production will also increase and major beneficiaries would be labour (1.37 per cent)²⁴.

BRI is a signature mark of China's modern-day diplomacy to pursue the concept of shared prosperity through diplomacy and economic engagement. Through the program China is trying to create economies, which can help each other and grow together. The net outcome of the intervention would be a better place for everyone.

China is also working to create, expand and strengthen existing institutions, organizations and programmes to accelerate the process of mutually beneficial cooperation in all fields. The process has been accelerated since the President Xi has taken control of the state. President Xi Jinping is putting efforts to turn the Shanghai Cooperation Organization (SCO) into an organization of global relevance. SCO is now on expansion mode and it has welcomed two new members - Pakistan and India - in 2018. It is the biggest regional organization in terms of population and geographical size. It is home to 45 per cent of the world population and encompasses almost 25.88 per cent land mass of earth. It also has four nuclear powers, including Pakistan and India, which are archrivals in all fields of life. SCO is a partnership-based organization, which gives independence to members and keep them free from any binding commitment.

Despite the massive size and arch rivalry between Pakistan and India, SCO is trying to build partnership, which can present opportunities for everyone irrespective of their beliefs and ideologies. China is pursuing to have a free trade agreement among the members. The free trade agreement at the platform of a partnership-based organization would be new experiment. China also has proposed to establish SCO Development Bank to help member states to combat the development challenges of member states. It is also pursuing to enhance

²³<https://www.worldbank.org/en/topic/regional-integration/publication/belt-and-road-economics-opportunities-and-risks-of-transport-corridors>

²⁴<http://documents.worldbank.org/curated/en/126471554923176405/pdf/The-Belt-and-Road-Initiative-Economic-Poverty-and-Environmental-Impacts.pdf>

diverse economic ties. Recently, China has established a dedicated SCO Economic Demonstration Zone to accelerate the economic cooperation among China and SCO member states. It is a very important step and through the initiative, China is offering exclusive incentives to domestic companies and investors from SCO member states to invest. It is assumed that in near future it will help foster economic integration among SCO member states and China.

The Asian Infrastructure Investment Bank (AIIB) was created to facilitate development needs, programmes and projects of the member states by providing them easy investment. It started with 21 members and now it has 82 members and there are 20 prospective members. It is blend of regional and extra-regional countries. It is open to investment in any country and assists other institutes. It is an expanding organization and new members are showing interest. China has established this institute to facilitate the countries, to fulfil the investment needs²⁵. AIIB is also helping countries during the COVID-19 by extending them financial support through loans and investments. President Xi Jinping on 28th July, 2020 in his speech said, “Let’s make AIIB a new platform that promotes development for all its members and facilitates the building of a community with a shared future for mankind”²⁶. He has vision to covert AIIB the leading multilateral institution to promote development across the world. He also assign the importance to AIIB for contributing in build infrastructure and tackle issues of poverty and development. It will help to attain peace, which is direly needed commodity at this point of time.

For enhancing trade and cooperation, China launched “China International Import Expo” in 2018. The purpose of the initiative is to enhance trade opportunities for BRI and developing countries. It is also open to big countries and cooperations. It is new initiative and is expanding.

Although, all these initiatives are in different fields, but the fundamental principal is mutual benefits. The pillars of all these engagements are win-win agreements, working with local community and trying to be gelling factor not dividing factor. The ultimate goal is to attain the prosperity. It also echoed the language of the slogan of SDGs “No One Left Behind”.

2.3. Strategy for Pakistan

The Chinese foreign policy and thoughts of President Xi highlight three critical lessons for Pakistan. First, China is focused on people, their wellbeing and prosperity. Second, China wants to be a gelling factor in national landscape and will not take side. Third, China does not believe in alliances and remain open for new partnerships irrespective of history baggage.

²⁵ <https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html>

²⁶ <https://news.cgtn.com/news/2020-07-28/Key-quotes-from-Xi-s-speech-at-opening-of-AIIB-s-fifth-annual-meeting-Sv1YOLoEc8/index.html>

Hence, Pakistan should pursue policy of engagement with China by keeping in mind these lessons.

First of all, Pakistani policy makers and thinkers should try to understand the China-Pakistan Economic Corridor by applying the prism of prosperity and centrality of people. That's why, the first phase was designed to cater for the most urgent needs of Pakistan in energy and infrastructure sectors. Energy investment helped Pakistan to manage the energy crisis and provided a substantial relief in load-shedding. Industrial activities were revived due to the availability of electricity. Transport infrastructure was also designed to meet rehabilitation and new needs of infrastructure. Second phase is even more clear from the people's dimension. China has extended huge amount of resources (more than US\$ 1 billion) for social development. The beneficiaries of the support would be education, skill, agriculture and housing sectors, etc. Besides, China also signed two MoUs on Agriculture and Science and Technology. MoU on Agriculture is really important for Pakistan as livelihoods of millions of people is dependent on the sector.

Second, China has learned from the mistake of Go Global 1.0 and revised its policy of engagement. Although, China always kept the flag of non-interference but now it has become conscious due to baseless propaganda. China wants to be neutral and gelling factor in local setting. China will not pick sides or support of any political party or institution. It will prioritize the country and people of the country. It is the corner stone of China's diplomacy and engagement policy.

Hence, political parties and institutions needs to come out of this mentality of champions of Pakistan-China relationship. The game credit among parties has already consumed much precious time. As every political party was portraying as if they are essential and without them there would be no CPEC. This game of credit is still going on. It is not serving the country rather it strengthens the hands of the opponents. CPEC is product of the China-Pakistan relation not of any political party. China will continue to cooperate irrespective of who is in power and who is not in power. The unity of party will give a positive sign and it will also help to smoothen the implementation of CPEC.

Third, Pakistan has never to ask to China to be part of any alliance, as China does not believe in this terminology. China always looks to bridge the gaps. That's why China always offered the regional countries to be part of CPEC. It has also launched Bangladesh, China, India and Myanmar (BCIM) Corridor. Even though India is opposing BRI and CPEC but still China wants to include it in BRI.

2.4. Conclusion

The policy to explore foreign engagements by keeping prosperity at center is an excellent approach. It has garnished China's relations with many countries bringing them close to China by dissipating misinformation. It is a useful instrument. China has pursued this policy by government-to-government engagements, which has its merits. Despite, the govt level success, China is also facing problems in many countries, especially those following democratic system of governance. Hence, China needs to devise new tools of engagement with these countries by strengthening and expanding existing tools.

First, China needs to recognize the role of civil society in democratic countries. In China, through the Communist Party, everyone has ones say in the system. Party members are very actively involved in decision-making and implementation. So, the Party system provides opportunity to everyone to participate and fight for rights. However, democratic countries, there is a multi-party system. Every party opposes the initiatives taken by other parties. The members of one party oppose the members of other party. It leads to divide among people on the basis of party and try to portray picture according to their party line. That's why, Pakistan is witnessing a credit game on CPEC, as every party portray it as its own success story.

In these circumstances, the civil society can play the role of bridging the difference between parties by providing accurate statistics. Civil society organizations also represent the voices of people irrespective of their party affiliation and bring common man as main stakeholder. They focus on the development framework and engagements for the prosperity of common people, which is the goal of China's foreign policy. Hence, there is a suggestion to build close collaboration with civil society organizations. It will help achieve the following objectives;

1. It will build close relationship with people.
2. It will be a tool to spread the message of prosperity.
3. It will create a win-win situation.
4. People to people linkages will be improved
5. Most importantly, it will help to mitigate the baseless propaganda against China and BRI

2.5. Way Forward

Despite massive investment and sharing the economic fortune, China is facing propaganda and smear campaigns. One wonder, why China is facing this problem. The analysis shows that there are certain areas which China needs to reform in accordance with global norms and working style of liberal world. Building on the discussion and analysis, following recommendations may be presented for future.

1. Enhance the role of China International Development Cooperation Authority (CIDCA). CIDCA should actively pursue the policy of engagement with civil society organizations. As, civil society factor is very strong in liberal world and people somehow trust civil society organization.
2. The message of Diplomacy Through Shared Prosperity must be communicated through engagement policy. CIDCA in consultation with State Council and State institutions should take lead on it.
3. Chinese Academy of Social Sciences should adopt the slogan of Shared Prosperity and put it on front page to communicate the message.
4. Foreign Office of China should enhance its interaction with thinks tanks globally and engage them in constructive debates and discussions.
5. Foreign Office should use tag line of Shared Prosperity in building its partnerships.
6. Belt and Road Initiative should forward the concept of shared prosperity as the end goal of initiative. It would be easier for BRI, as it is already pursuing the goal.
7. To promote the policy, China should work out a comprehensive engagement policy keeping in mind the domestic realities of the democratic and other countries.