

China's emerging partnership network: what, who, where, when and why

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Abstract

Purpose – The purpose of this paper is to explore and test the motivation behind the evolution of China's vast network of partnerships around the globe since the end of the Cold War.

Design/methodology/approach – After combing through 24 types of partnerships with 78 countries, the authors empirically tested four hypotheses using data from Correlates of War and World Bank.

Findings – The analysis indicates that China's choice to build such an elaborate network is not random. On the contrary, it is largely determined by three factors: the need to counter the US pressure; the necessity of maintaining peace and stability along its borders and achieving the long-term goal of modernization.

Originality/value – The research is among the first attempts to comprehensively test the possible motivations behind China's partnership building efforts and provides a stepping stone for analyzing this important aspect of China's foreign policy.

Keywords China, Foreign policy strategy

Paper type Research paper

1. Introduction

In international relations, the connotation of partnerships is not always clear. It is largely “what states make of it” (Holslag, 2011, p. 295). A partnership can be used to describe alliance (e.g. the Trans-Atlantic Partnership), common economic cooperation (e.g. the economic partnership agreements) or sometimes even the interactions between rivals. For instance, Jamal (2000) even called the relationship between Israel and Palestine “a conditional partnership.” In the nomenclature of other countries, however, partnership has specific meaning and is applied to only a certain type of relations. For instance, the USA reserves partnership to relations with those non-allies, but more formal and structured than common intergovernmental dialogues (Hamilton, 2014). The EU uses partnership as a tool for particular goals of economic cooperation. In addition to China, countries such as Republic of Korea and Vietnam have constructed rather diverse and stratified networks of partnerships as well (Bang, 2017). Apparently, China is not unique with respect to using partnership as a way of advancing its national interest. What makes China's approach unique lies in the fact that it places partnership networks at the center of its foreign policy strategy. Very few other countries have attached more significance to establishing partnerships than China.

By the end of 2016, China has established partnerships with 78 countries and 5 regional organizations (African Union, Arab Union, ASEAN, CELAC and EU), which is 45 percent of



the 174 countries that have formal diplomatic ties with China. In addition to its comprehensiveness, the network also consists of different stratifications, going from regular partnership to comprehensive strategic partnership. Our purpose in this paper is to understand the motivation behind the construction of such an elaborate network. In Section 1, we offer a general depiction of China's partnership network. In Section 2, we explain the connotations behind the classification of partnerships and review the development of China's "Partnership without alignment" policy which can be traced back to China's Cold War era experience. In Section 3, we conduct a quantitative analysis to examine the factors that systematically influence the building of partnership network as we see today. In conclusion, we argue that at least three factors have been driving the evolution of China's partnership network: the necessity of countering the US pressure; the requirement of maintaining peace and stability along its borders and the desire to achieve the long-term goal of modernization.

2. China's network of partnerships

As mentioned above, China has partnerships with 78 countries and 5 regional organizations, covering all five continents (Figure 1). In Table I, we list the types of partnership used by China. In total, there have been 24 partnerships. Table II lists all the countries grouped according to these partnership types. The sheer number of partnership titles is quite intriguing since they certainly reveal subtle differences across them. In 1996, for example, China first established a Strategic Partnership of Coordination with Russia. The two countries elevated the partnership to a Comprehensive Strategic Partnership of Coordination in 2011, signaling an increased level of cooperation between them. For Pakistan, the unique All-weather Strategic Cooperative Partnership was established in 2005 and stayed that way ever since. The term "All-weather" suggests that the cooperation between the two countries would continue regardless of how the external environment changes. India and China established a Strategic Cooperative Partnership in 2004. In 2014, the two countries issued a joint statement announcing the effort to push forward the bilateral relationship to a closer Developmental Partnership[1]. The inclusion of the term "closer" in the title indicates the willingness on both sides to improve the relationship further. Clearly, the labels are not without meanings. They, at minimum, suggest a varying degree of proximity between China and its partners.

Historically, the first partnership China established is with Brazil in 1993, not long after the end of the Cold War. In Figure 2, we can see that for the first decade from 1993 to 2003,

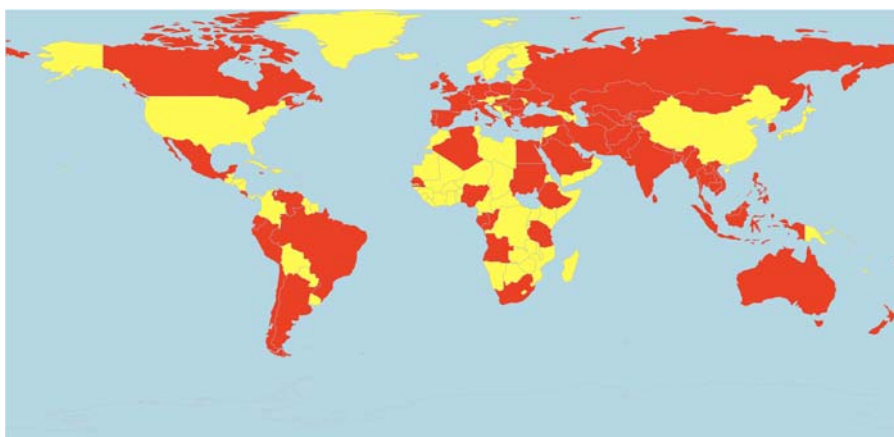


Figure 1.
China's partnership
network

Table I.
Types of partnerships

伙伴关系名称	Partnership title
全面战略协作伙伴关系	Comprehensive Strategic Partnership of Coordination
全天候战略合作伙伴关系	All-weather Strategic Cooperative Partnership
全方位战略伙伴关系	All-round Strategic Partnership
全球全面战略伙伴关系	Global Comprehensive Strategic Partnership for the 21st Century
全面战略合作伙伴关系	Comprehensive Strategic Cooperative Partnership
全面战略伙伴关系	Comprehensive Strategic Partnership
互惠战略伙伴关系	Mutually Beneficial Strategic Partnership
创新战略伙伴关系	Innovative Strategic Partnership
战略协作伙伴关系	Strategic Partnership of Coordination
战略合作伙伴关系	Strategic Cooperative Partnership
战略伙伴关系	Strategic Partnership
战略合作关系/战略性合作关系	Strategic Cooperation
更加紧密的发展伙伴关系	Closer Developmental Partnership
全方位友好合作伙伴关系	All-round Partnership of Friendship and Cooperation
全面友好合作伙伴关系	Comprehensive Partnership of Friendship and Cooperation
全方位合作伙伴关系	All-round Partnership of Cooperation
全面合作伙伴关系	Comprehensive Cooperative Partnership/Comprehensive Partnership of Cooperation
重要合作伙伴关系	Important Cooperative Partnership
友好合作伙伴关系	Partnership of Friendship and Cooperation/Friendly and Cooperative Partnership/Friendly Cooperative Partnership
共同发展的友好伙伴关系	Partnership of Friendship/Friendly Partnership for Common Development
长期友好合作伙伴关系	Long-term Friendly and Cooperative partnership
全面合作关系	Comprehensive Cooperation
睦邻互信伙伴关系	Partnership of good Neighborliness and Mutual Trust
新型伙伴关系	New Partnership

there were just a total of ten countries, 2004 and 2005 see a large jump with 13 and 10 countries, respectively. For the decade from 2006 to 2016, a total of 50 countries/regions formed partnership with China. If we further divide the period according to the time served by China's top leaders as the Chairman of the Central Military Committee, China established partnerships with 23, 34 and 26 countries and organizations during the years from 1993 to 2004, 2005 to 2012 and 2013 to the present, respectively. This shows that, regardless of leadership change, China has been quite consistent in building partnerships.

3. Building partnership without alignment

Having seen such an elaborate network of partnerships with 24 different names, one naturally wonders what subtle differences they actually convey. The most authoritative explanation offered so far comes from China's former Premier Wen Jiabao. He delivered a keynote speech in 2004 when visiting the European Union at Brussels, in which he elaborated that the term "comprehensive" refers to cooperation in the economic, technological, cultural and political fields; the relationship is both bilateral and multilateral, meaning that the dyadic countries in a comprehensive partnership may also work together in dealing with multilateral issues; a comprehensive relationship is multi-layer as well, including both government-to-government cooperation and people-to-people diplomacy.

The term "strategic" means that cooperation between the two countries not only has an overall importance to the bilateral relationship but also is stable and long-term, overcoming the differences in ideology and political systems. Finally, the term "partnership" means that the two countries cooperate on the basis of mutual-respect, mutual-trust and equality. Both sides strive to develop a win-win relationship that is mutually beneficial[2].

Partnership title	Countries
Comprehensive Strategic Partnership of Coordination	Russia
All-weather Strategic Cooperative Partnership	Pakistan
All-round Strategic Partnership	Germany
Global Comprehensive Strategic Partnership for the 21st Century	Great Britain
Comprehensive Strategic Cooperative Partnership	Belarus, Cambodia, Chile, Myanmar, R. of Congo, Thailand, Vietnam
Comprehensive Strategic Partnership	Algeria, Argentina, Australia, Brazil, Ecuador, Egypt, France, Greece, Indonesia, Iran, Italy, Malaysia, Mexico, New Zealand, Peru, Poland, Portugal, Saudi Arabia, Serbia, South Africa, Spain, Uzbekistan, Venezuela, EU
Mutually Beneficial Strategic Partnership	Denmark, Ireland
Innovative Strategic Partnership	Switzerland
Strategic Partnership of Coordination	Russia in 1996
Strategic Cooperative Partnership	Afghanistan, Bangladesh, South Korea, Sri Lanka
Strategic Partnership	Angola, Canada, Costa Rica, Czechia, Fiji, Iraq, Jordan, Kazakhstan, Kyrgyz, Mongolia, Nigeria, Qatar, Sudan, Tajikistan, Turkmenistan, UAE, Ukraine, Africa Union, ASEAN
Strategic Cooperation	Brunei, The Philippines, Turkey
Closer Developmental Partnership	India
All-round Partnership of Friendship and Cooperation	Belgium
Comprehensive Partnership of Friendship and Cooperation	Bulgaria, Maldives, Romania
All-round Partnership of Cooperation	Singapore
Comprehensive Cooperative Partnership	Croatia, East Timor, Ethiopia, Gabon, Nepal, The Netherlands, Tanzania, CELAC
Important Cooperative Partnership	Fiji in 2006
Partnership of Friendship and Cooperation	Hungary
Friendly Partnership for Common Development	Jamaica
Long-term Friendly and Cooperative partnership	Senegal
Comprehensive Cooperation	Australia in 2006
Partnership of good Neighborliness and Mutual Trust	ASEAN, Mongolia in 2003
New Partnership	Arab Union

Table II.
Partnerships of
China as of 2016

Using Premier Wen's classification, therefore, we can divide the partnership countries and regions into three broad groups: comprehensive strategic partnership, strategic partnership and regular partnership. The result is shown in Table III. To further illustrate the differences in these three broad types of partnerships in practice, we chose six countries and examined the official announcements accompanying the signing of agreement. These six countries are Russia, Pakistan, Ireland, Qatar, Belgium and Romania, two for each category. We selected key areas of cooperation from the documents and the results are shown in Table IV.

In the cell, 1 indicates where there is cooperation and 0 for the lack thereof. Russia and Pakistan have comprehensive strategic partnership with China. They cooperate in all seven areas. Ireland and Qatar have strategic partnership with China. While Ireland and China announced in the agreement that both would respect each other's core interests, such a phrase does not appear in the agreement with Qatar, although Qatar cooperates with China with respect to anti-terrorism, military exchange and other international and regional issues. Belgium and Romania have just regular partnership with China. "Respecting each other's core interests" does not appear in either document, even though Romania cooperates with China on anti-terrorism issues. But when it comes to cooperating in space, on international and regional

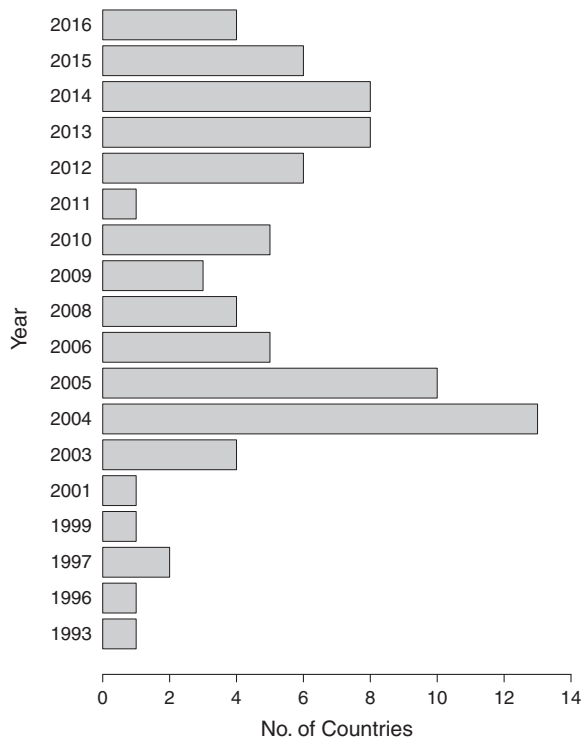


Figure 2.
Establishment of
partnership by year

Table III.
Classification of
partnerships

Comprehensive strategic partnership	Russia, Pakistan, Germany, Great Britain, Belarus, Cambodia, Chile, Laos, Myanmar, Republic of the Congo, Thailand, Vietnam, Algeria, Argentina, Australia, Brazil, Ecuador, Egypt, France, Greece, Indonesia, Iran, Italy, Malaysia, Mexico, New Zealand, Peru, Poland, Portugal, Saudi Arabia, Serbia, South Africa, Spain, Uzbekistan, Venezuela, EU
Strategic partnership	Denmark, Ireland, Switzerland, Afghanistan, Bangladesh, South Korea, Sri Lanka, Angola, Canada, Costa Rica, Czechia, Fiji, Iraq, Jordan, Kazakhstan, Kyrgyz, Mongolia, Nigeria, Qatar, Sudan, Tajikistan, Turkmenistan, UAE, Ukraine, Africa Union, ASEAN, Brunei, The Philippines, Turkey, India
Regular partnership	Belgium, Bulgaria, Maldives, Romania, Singapore, Croatia, East Timor, Ethiopia, Gabon, Nepal, The Netherlands, Tanzania, CELAC, Hungary, Jamaica, Senegal, Arab Union

Table IV.
Substantive
differences in
partnership
cooperation

	Russia	Pakistan	Ireland	Qatar	Belgium	Romania
Core interests	1	1	1	0	0	0
Anti-Terror/security	1	1	0	1	0	1
Military exchange	1	1	0	1	0	0
International and regional issues	1	1	0	1	0	0
Space	1	1	0	0	0	0
Economy	1	1	1	1	1	1
Culture	1	1	1	1	1	1

issues or military exchange, they are all missing from the agreement with Belgium and Romania. What is constant is that economic cooperation and cultural exchange are always a part of the agreement for all three types of partnerships. If we count the number of areas of cooperation, we see that comprehensive strategic partnership definitely indicates a much closer relationship between the dyadic countries, especially in the areas of political and military cooperation. There are of course variations and anomalies but an examination of all the countries is beyond the scope of this paper, and we leave it for a future study.

The literature suggests that the choice of building such a stratified network is rooted in China's Cold War era experience. As Sun points out, China's policy of building partnership without alignment is path dependent and a result of the existing security network headed by the USA. It is path dependent because China's experience in the Sino-Soviet Union alliance makes it highly unlikely that it would want to get entangled in yet another alliance that has a large security component. Second, China has always been critical of the security alliances led by the USA. Considering alliances with a traditional focus on security and balancing of threat or power a Cold War relic, China, therefore, chooses to build a new type of bilateral relationship.

A brief overview of China's foreign policy strategy shows that from 1949 to the present, China changed from "Leaning one side" (一边倒) to a "Common Line" strategy (一条线战略), and finally to the contemporary "Partnership without alignment" (结伴不结盟). During the Cold War, except for two ten-year periods (1950–1960, 1972–1982) when China had a formal alliance with the Soviet Union and a quasi-alliance with the USA, respectively, China for the most part has kept a non-alignment policy to the extent that it is described as a "lonely power" with no close friends and possess no allies (Shambaugh, 2014)[3].

In 1982, China abandoned the "Common Line" strategy and formally announced a non-alliance policy during the 12th Party Congress. Deng Xiaoping at the opening of the conference specifically pointed out that maintaining the ability to make decisions independently has always been and will always be a core element of China's foreign policy. Not aligning with any major powers was considered key to such an independence. The non-alliance policy was reiterated in 1992 and 1997 during the 14th and 15th Party Congress. In a white paper entitled "China's Peaceful Development" published in 2011, China announced that it would not "form alliance with any other country or group of countries, nor does it use social system or ideology as a yardstick to determine what kind of relations it should have with other countries"[4]. After Xi Jinping assumed leadership in 2012, the non-alignment policy was kept and during the Central Conference on Work Relating to Foreign Affairs convened in 2014, Xi specifically called for building a global network of partnerships. This policy is now summarized as "Partnership without alignment" (结伴不结盟). According to China's Foreign Minister, Wang Yi:

Building partnership is a distinctive feature of China's diplomacy. After the end of the Cold War which was marked by the confrontation between alliance of nations, we draw on the experience and lessons of history in a timely way and succeeded in developing a new approach of forming partners instead of allies. (Wang, 2015, pp. 7-8)

4. Research design

Although China obviously treats the partnership network as an alternative to alliances, alliance study in the literature still offers a stepping stone for our examination of China's motivation in building its own network of partnership. Scholars have examined a wide range of topics from alliance formation, internal configuration of alliances, relationship between alliances and war, to alliances' effect on trade (Sprecher and Krause, 2006). Discussions in the literature can generally be understood as concerning two questions: how alliances come to existence and how they perform. The second question normally involves

two dimensions: internally, scholars examined intra-alliance relations such as burden sharing, degree of alliance cohesion and the danger of abandonment and entrapment (e.g. Snyder, 1990; Long *et al.*, 2007; Walt, 2009); externally, scholars have looked into the extent to which alliance can prevent or trigger war or whether alliances can promote trade (e.g. Levy, 1981; Oren, 1990; Smith, 1995; Mansfield and Bronson, 1997; Bennett, 1997; Gibler and Vasquez, 1998; Leads, 2003; Fordham, 2010; Benson, 2011).

Compared to alliance performance, alliance formation generates much more attention from the very beginning. Given the central role played by the USA in the post-Second World War order, the earlier discussions of alliances approach the subject by focusing on America's security dilemmas and choices (e.g. Liska, 1962). The contradiction between US commitment to both collective security and collective defense was discussed extensively along with the nature of NATO and its future (e.g. Wolfers, 1959). Ever since Morgenthau's (1959) definition of alliance as a "function of the balance of power operating within a multiple state system" (p. 185), the realist school of alliance study becomes the mainstream. Both alliance formation and performance are analyzed from a national security point of view. Holsti *et al.* (1973), for example, defined international alliances broadly as formal agreements between two or more nations to coordinate on national security issues (4). Snyder (1990) argues that "alliances are formal associations of states for the use (or non-use) of military force, intended for either the security or the aggrandizement of their members, against specific other states, whether or not these others are explicitly identified" (p. 104). Walt (2009) suggested that "an alliance (or alignment) is a formal (or informal) commitment for security cooperation between two or more states, intended to augment each member's power, security, and/or influence" (p. 86). However, different than the balance of power argument established by Waltz (1979), Walt (1985, 1987, 1988) contended that states form alliances not just to balance power but primarily balance against threats, which are a function of a country's power, geographical proximity, offensive capabilities and intentions. Schweller (1994), on the other hand, offered a balance-of-interest theory by arguing that the traditional approach's focus on national security is too narrow. States choose to form alliance either for self-preservation or to protect the values already possessed (p. 74).

Different motivation drives different responses with respect to forming alliances. As summarized by Walt (2009), there can be hard balancing, soft balancing, leash-slipping, neutrality, bandwagoning and regional balancing (p. 101). The difficulty, however, is that even if we ignore the official pronouncement of the Chinese Government that it follows a non-alignment foreign policy and treat partnership as a form of alignment, the framework of responses can hardly fit China's behavior. The security cooperation between Russia and China plus the Shanghai Cooperation Organization are seen as a sort of balancing act against the USA, but as Walt points out, no formal alliance exists between Russia and China to explicitly contain the USA. Soft balancing is defined as "the conscious coordination of diplomatic action in order to obtain outcomes contrary to U.S. preferences, outcomes that could not be gained if the balancers did not give each other some degree of mutual support" (Walt, 2009, p. 104). The key difference between hard balancing and soft balancing is that the former aims at counter the current balance of power and keep the dominant power in check while the latter seeks to counter the dominant power's specific policies. But what do we mean by "keeping the dominant power in check"? If cooperation between Russia and China in specific policy areas prevents the USA from achieving its complete policy goal and alters the balance of power in degree, if not in kind, is that hard balancing or soft balancing? If it is soft balancing because most of the policy instruments employed is nonmilitary, does this mean that we can define actions of Russia or China as hard balancing if they use military means to counter the USA? But short of an open war with the USA, how do we identify the use of military means? If we want to use the existence of a formal/official alliance to identify hard balancing, we would never be able to do so because China has

reiterated its position that it will never seek to establish formal alliance with any country. In addition, as suggested by Ling (2013), compared to economic and political factors, power especially military power today plays a lesser role in the rise of a country. Alliances not only face internal management challenges but also are not effective in dealing with non-traditional security threats. Therefore, from a realist point of view, building alliances does not constitute a reasonable choice for China.

Leash-slipping does not fit, either, for explaining China's partnership network. According to Layne (2006), "states engaging in leash-slipping do not fear being attacked by the hegemon. Rather, they build up their military capabilities to maximize their ability to conduct an independent foreign policy" (p. 9). Although it is true that China has invested heavily in its military in the past decade, when it comes to the partnerships with other countries, they contain very few security provisions that would actually help China build up its military capability to the extent that it can challenge the USA. Layne himself does not categorize China's action as leash-slipping. Instead, he agrees with Brawley (2004) that China has adopted an "economic pre-balancing" strategy, which lies in the middle of hard balancing and soft balancing. According to Brawley's analysis, China wants to avoid any preventive action on behalf of the USA so that it can focus on developing its full economic potential and convert it into hard military power eventually (cf. Layne, 2006, p. 9)[5]. It is true, as we will elaborate further later, that China wants to focus on economic development for the near future. Nevertheless, it is an open question whether China will eventually challenge the US militarily and replace it as a new hegemon. The identification of the "economic pre-balancing" strategy appears to be based to a large extent on the presumption of China's future behavior, which in practice may invoke the danger of self-fulfilling prophecy if the USA converts such a presumption into a guiding principle for its counter maneuver.

So given the difficulty in applying the existing framework to make sense of China's building of partnership network, instead of trying to identify China's action on a continuum from hard balancing to regional balancing, we take a step back and seek to identify the factors that drive China's strategic choice in developing the network as of today. As we elaborate in the following section, countering US influences could be considered as one factor that drives China's behavior, but it is not the whole picture. The overall goal of modernization pursued by China also plays a very important role.

4.1 *China's long-term development goals*

Jiang Zeming in his report to the 16th Party Congress in 2002 declared:

[...] the first two decades of the 21st century are a period of important strategic opportunities [...] The two decades of development will serve as an inevitable connecting link for attaining the third-step strategic objectives for our modernization drive as well as a key stage for improving the socialist market economy and opening wider to the outside world[6].

The third-step strategic objective refers to China's three-step development strategy. The original three-step plan was officially announced during the 13th Party Congress in 1987, whereby in Step 1 from 1981 to 1990, China would double its GNP; in Step 2, GNP would be doubled again by the end of 2000; and in Step 3, China's GNP per capita would reach the level of a mid-ranking developed country by the middle of the twenty-first century. China achieved the first two goals in 1995. So in 1997 during the 15th Party Congress, China updated its third-step objectives, by which China would double its GDP on the basis of 2000 by the end of 2010, and by 2049 when PRC celebrates its centenary, China will have accomplished the modernization program by and large[7]. Additionally, on the basis of the adjustments made in the 16th and 17th Party Congresses, China clarified its development goals further in the 18th Party Congress held in 2012: China would double its 2010 GDP and

per capita income for both urban and rural residents, complete the building of a moderately prosperous society by 2020, and turn China into a modern country by 2049[8].

To achieve such goals, China integrates its diplomatic strategy into an overall program. In an article written in 2003, Yang (2003) argues that China's diplomacy should revolve around the goal of transforming China from a regional power to a global power in the following 20 years. Nevertheless, China is recommended not to challenge the US primacy and advised to advance its national interests by actively integrating itself into the existing world order. This does not mean, however, that China would not face any pressure from the USA. As a matter of fact, as Su (2015) suggests, the security alliance established by the USA in the Asia-Pacific region causes significant concerns of China. The last thing that China wants is regional instability caused by frictions with its neighboring countries. This is probably why China in 2013 held a special Central Conference on Work Relating to Neighborhood Diplomacy where it develops a neighborhood diplomacy with an emphasis on amity, sincerity, mutual benefit and inclusiveness. In the Central Conference on Work Relating to Foreign Affairs held in 2014, besides making developing friendly relations with neighboring countries a priority, China also adopted separate principles for maintaining relations with the world's major powers such as the USA, Russia, the EU, and developing countries as well (Ruan, 2015). As to the USA, China proposes a new model of major-country relations featuring avoidance of conflict or confrontation, mutual respect and win-win cooperation[9].

Therefore, in the post-Cold War international order where the USA enjoys a primacy that no other countries can match, building an alliance independent of the US network would make China an automatic target of the USA. Since China chooses to develop itself by integrating into the global chain of production, building an extensive partnership network appears to be the only way for China to enhance its relationship with other countries. As long as a direct conflict between China and the USA can be avoided, China will be able to focus on its domestic development goals. This approach is demonstrated in a statement by China's President Xi Jinping, where he expresses a willingness to establish partnership with all types of countries. "Those who share the same vision and follow the same path are partners. Those who seek common ground while shelving differences can also be partners (志同道合是伙伴, 求同存异也是伙伴)" (Wang, 2015).

When summarizing the effect of China's extensive partnership network, Foreign Minister Wang Yi comments that it creates "an enabling environment for China's domestic development" (Wang, 2015, p. 6). According to Su (2015), three factors are crucial to maintaining a momentum for China's sustainable development: market, resources and investment. Given that China's top priority is to develop itself into a modern country by the year of 2049, we, therefore, hypothesize that:

- H1.* In general, countries that can provide market access, resources and investment opportunities are more likely to be chosen as China's partners.
- H2.* The greater the potential of such contributions, the higher the likelihood that a country can become a comprehensive strategic partner.

To measure a country's market size, we chose two measures, a country's annual GDP and Urban Population Growth. The latter indicates the level of urbanization, which is related to GDP growth and domestic market size. Higher GDP is associated with a larger economy that has a more active and larger market. This GDP variable is measured using current US dollars. For a measure of resources, we use a country's fuel exports calculated as a percentage of merchandise exports. A more ideal measure would be China's total import of natural resources from a specific country. Since the data are not readily available, we chose instead to focus on China's energy needs and explore whether it plays a significant role in China's choosing of partners. For investment, we use the net inflows of foreign direct

investment measured in current US dollars. Higher net inflows indicate that the country is more attractive to external capital. Given China's emphasis on both attracting foreign investment and investing overseas lately, countries with higher net FDI inflows indicate more economic opportunities for investment. All three variables are extracted from the World Bank's World Development Indicators data set.

As we demonstrate above, China in its diplomatic strategy takes neighboring countries as a priority, our third hypothesis, therefore, is that:

H3. A country that shares borders with China is more likely to be chosen as a comprehensive strategic partner.

The Neighbors variable in our model is a binary measure with a code of 1 indicating China's neighboring countries.

The USA as the only super power in the post-Cold War era has influenced China's choice of diplomatic strategies greatly. China does not wish to establish alliances to challenge the US primacy, but a network of partnerships can certainly help China alleviate some of the pressures from the USA. Therefore, we hypothesize that:

H4. As the power gap between the USA and China gets larger, China is more motivated to establish partnerships with other countries.

To measure the power gap, we used Correlates of War data set's Composite Index of National Capability score. The scores are between 0 and 1 with 1 indicating a country having 100 percent of the capabilities in a given year. We take the difference of the two countries' scores by subtracting China's scores from that of the USA. Larger differences indicates a larger capability gap for China.

Finally, we included nine control variables in our model. Net Official Development Assistance measures the assistance a country receives from the outside. Higher values indicate a low level of economic development. Since governance plays an important role in a country's ability to participate in international affairs, we used the World Bank's Worldwide Governance Indicators, which include six indexes: Control of Corruption, Government Effectiveness, Political Stability, Regulatory Quality, Rule of Law and Voice and Accountability. Higher scores indicate better performance on these five dimensions. Bailey *et al.* (2017) construct an ideal point measure of country affinity based on their United Nations General Assembly voting records. Countries that vote together more often have a higher likelihood of establishing partnerships. The causal relation, however, can also go in the opposite direction where partner countries are more likely to vote together. Given the ambiguity, we include the variable only as a control in our model. We also included China's trade surplus/deficit as a control. This variable is obtained by using Correlates of War's trade data set by subtracting China's import from its export with respect to a specific country. China's trade surplus is equivalent to its trading partner's trade deficit, which can potentially cause a political backlash that reduces the likelihood of a partnership.

5. Empirical results

The time span of our data is from 1991 to 2014 mostly because the Country Affinity scores are only updated to 2014. We restrict our analyses to only those countries that have diplomatic ties with China, and the observations are organized as dyad year. *H1* and *H4* look at China's choice to form partnership out of countries with diplomatic ties. So the dependent variable is binary with a code of 1 indicating partnership. Given the nature of the dependent variable, we used a logistic model for estimation purposes. Due to the cluster nature of the data, robust standard errors were used in hypothesis testing.

The results are shown in Table V. Except for the Fuel Exports variable that taps into China's energy needs, all the other variables in *H1* and *H4* are significant. An increase of

Variable	Coefficient	(SE)
Urban Population Growth	-0.066*	(0.032)
GDP	2.49e-11**	(2.59e-12)
FDI	1.03e-10*	(4.48e-11)
Fuel Exports	0.002	(0.002)
Neighbors	2.350**	(0.074)
Sino-US Power Gap	19.174**	(2.861)
Net Official Development Assistance	9.27e-10**	(1.15e-10)
Control of Corruption	-0.023**	(0.006)
Government Effectiveness	0.017***	(0.009)
Political Stability	0.014**	(0.004)
Regulatory Quality	-0.011*	(0.005)
Rule of Law	-0.018*	(0.008)
Voice and Accountability	0.013**	(0.004)
Trade Balance	-0.00016**	(0.000176)
Country Affinity	-0.393**	(0.086)
Intercept	-0.912	(0.209)
<i>n</i>		1,594
Log-likelihood		-676.095

Table V.
Logit model of
partner choice

Notes: *,**Significant at 5 and 1 percent levels, respectively

GDP by \$10bn will increase the likelihood of establishing partnership by 28 percent. If a country's foreign direct investment net inflow increases by \$1bn, the likelihood of a partnership with China will increase by 11 percent. The effect of power gap between the USA and China has a huge effect on China's likelihood of establishing partnerships. A one unit increase in the difference in the two countries' capability scores leads to a very dramatic increase in the probability of a partnership between China and another country. We suspect that since we used the original scales in terms of current US dollars for the GDP and foreign direct investment data, this may affect the magnitude of the coefficients for other variables that are on a much smaller numeric range. The variable indicating neighboring countries is also very significant, albeit not as much as that of the power gap variable. Being a neighboring country that shares borders with China increases the likelihood of establishing partnership with China by more than 900 percent.

As to the control variables, countries in need of foreign development assistance are more likely to establish partnership relationships with China. The growth rate of urbanization, however, has a negative relationship with the likelihood of partnership. Given that a majority of China's partner countries are developing countries, the results are not surprising. All the governance indicators are significant as well, but the direction of the coefficients for Control of Corruption, Rule of Law and Regulatory Quality are negative. This is counter intuitive and requires further exploration. We suspect this again is related to the developmental stages of China's partner countries. The positive and significant coefficients for Government Effectiveness and Political Stability indicate that China tends to seek partners with more stable countries whose governments are more effective. Country Affinity is negative and significant, showing that countries that do not vote together with China are less likely to establish a partnership. Finally, China's trade surplus does reduce the likelihood of a partnership. An increase of 1bn trade surplus would decrease the likelihood by 17 percent.

In addition to studying the decision to establish a partnership, we also examined China's choice of partnership types with respect to *H2* and *H3*. As we discussed, the 24 types of partnership can be divided into three broad categories with a decreasing level of cooperation between each dyadic countries: comprehensive strategic partnership, strategic partnership

and regular partnership. In our test, we coded comprehensive strategic partnership as 1, strategic partnership as 2 and regular partnership as 3. We used the same set of independent variables for the second test. Since the dependent variable is now ordinal, we ran an ordered logit model for estimation with robust standard errors.

The results are reported in Table VI. *H2* and *H3* are generally supported, albeit with a much more nuanced picture. When it comes to establishing different types of partnerships, countries with a larger urban population growth, which indicates a larger consumer markets, are more likely to become a comprehensive strategic partner of China. On the other hand, countries with higher GDP growth, receiving more development assistance and exporting more fuels tend to be just regular partners. Countries with a high level of voice and accountability and having a closer relationship with China are more likely to become comprehensive strategic partners. Finally, as China's trade surplus increases, it tends to establish just regular partnerships.

Figure 3 shows in-sample predicted probabilities. For comprehensive strategic partnerships (CS), its predicted probabilities are much higher than that of either strategic (S) or regular partnerships (R). This indicates that China actually puts a great emphasis on establishing comprehensive strategic relationships.

One interesting result from the analysis has to do with the power gap between the USA and China. As such gap increases, interestingly, China is actually less likely to develop comprehensive strategic partnerships (since comprehensive strategic partnership is coded 1 and regular partnership is coded 3). To obtain a better understanding of this relationship, we also graphed predicted probabilities with respect to the power gap between China and the USA.

As Figure 4 shows, the power gap between the USA and China has very little effect on the likelihood of strategic partnerships (S). For regular partnerships (R), its probabilities

Variable	Coefficient	(SE)
<i>Equation 1: Partnership type</i>		
Urban Population Growth	-0.201**	(0.026)
GDP	9.41e-12**	(1.47e-12)
FDI	2.43e-11	(5.73e-11)
Fuel Exports	0.020**	(0.001)
Neighbors	1.013**	(0.075)
Sino-US Power Gap	11.090**	(2.228)
Net Official Development Assistance	5.84e-10**	(9.64e-11)
Control of Corruption	-0.012***	(0.006)
Government Effectiveness	-0.007	(0.009)
Political Stability	-0.001	(0.002)
Regulatory Quality	0.006	(0.004)
Rule of Law	0.008	(0.008)
Voice and Accountability	-0.008*	(0.004)
Trade Balance	0.0002**	(0.00002)
Country Affinity	-0.387**	(0.073)
<i>Equation 2: cut 1</i>		
Intercept	1.040	(0.191)
<i>Equation 3: cut 2</i>		
Intercept	1.512	(0.184)
<i>n</i>	1,594	
Log-likelihood	-838.696	

Notes: *,**Significant at 5 and 1 percent levels, respectively

Table VI.
Ordered logit model of
partnership types

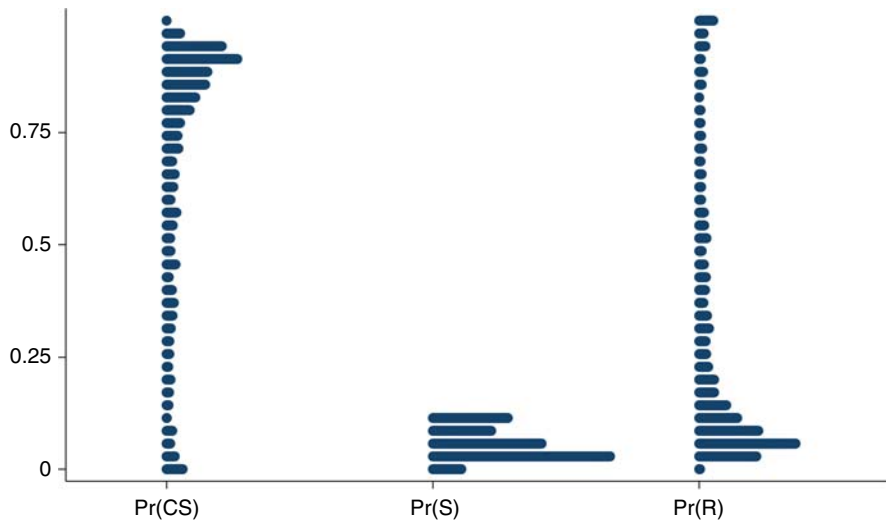


Figure 3.
Range of predicted probabilities

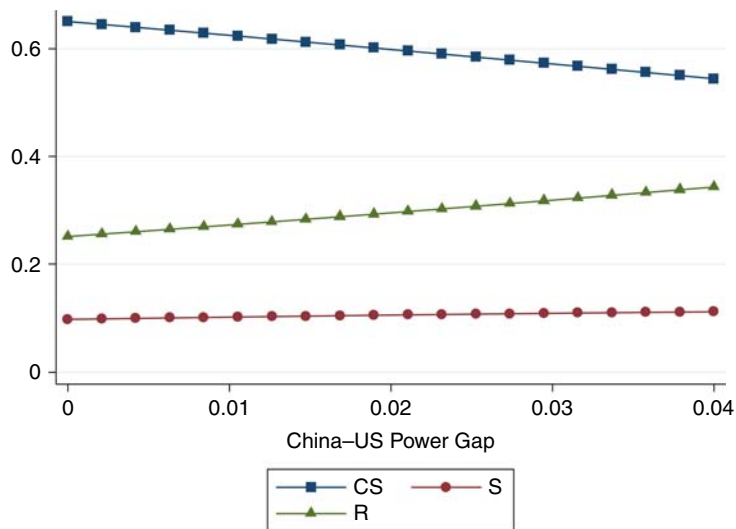


Figure 4.
Predicted probabilities
w.r.t. China-US
power gap

increase as the power gap enlarges. For comprehensive strategic partnerships (CS), on the other hand, China is less likely to choose such a relationship when its power gap against the USA increases. This offers a much more nuanced picture than our $H4$ originally suggests. Although results from the logistic analysis in Table V does suggest that China is more likely to seek partnership when it lags further behind the USA, as indicated by Figure 4, China clearly puts more thought on what types of partnership to seek. While the likelihood of seeking a regular partnership increases, which is consistent with $H4$, the likelihood of establishing a comprehensive strategic partnership, however, decreases. Nevertheless, if we read Figure 4 from right to left, as the power gap between the USA and China decreases, meaning that China is catching up with the USA, the likelihood of seeking a comprehensive

strategic partnership increases and that of seeking a regular partnership decreases. This is interesting because it suggests that as China catches up with the USA, it tends to establish more comprehensive strategic partnerships. A greater number of comprehensive strategic partnerships can certainly help alleviate pressure from the USA.

6. Discussion

Traditional alliance theory does not fully explain why China seeks to establish as many as 24 different types of partnerships with various countries and regional groups. The framework of alliance and bandwagoning does not fully capture China's motivation behind building such a network. In our analysis of China's action, we find that three factors drive China's choice. First, facing the USA as the only super power in the post-Cold War era, China seeks to rely on its partners to counter US pressure. Such a motivation grows even stronger when the relative power of the USA over China increases. Instead of challenging the US primacy, it appears that China uses the partnership as a defensive mechanism to alleviate US pressure. Second, China puts a great emphasis on promoting cooperation with its neighboring countries through the partnerships. This indicates that maintaining a stable environment right outside its borders is indeed a top priority for China. Finally, countries that can contribute to China's modernization efforts are more likely to become its partner. This is consistent with China's long-term goal of transforming itself into a modern country by the middle of the twenty-first century.

Our study also reveals some counter intuitive results. For example, higher political stability increases the likelihood of establishing a partnership in the first place and elevating it to a strategic partnership, but it reduces the likelihood of a comprehensive strategic partnership. We suspect that specific features of some of the partner countries may contribute to the conflicting results. Further analysis is needed to explore this more deeply. In addition, explaining the formation of a partnership is only the first step of achieving a better understanding of China's diplomatic strategy. Other topics such as performance of these partnerships *vis-à-vis* partnerships established by other major powers await our investigation.

Notes

1. http://news.xinhuanet.com/world/2014-09/19/c_1112555977.htm (accessed March 31, 2017).
2. www.people.com.cn/GB/paper39/11938/1074909.html (accessed March 31, 2017).
3. www.brookings.edu/opinions/the-illusion-of-chinese-power/ (accessed March 30, 2017).
4. www.scio.gov.cn/zfbps/ndhf/2011/Document/1000031/1000031.htm. The State Council Information Office of the PRC (accessed March 23, 2017).
5. Bandwagoning and regional balancing both require a rather close tie with the dominant power, the USA in this case. Although China and the USA have substantial economic ties and cooperate to deal with global issues such as climate and health, given the fact that China officially rejected the idea of G-2, it is clearly not bandwagoning with the USA.
6. http://en.people.cn/200211/18/eng20021118_106983.shtml
7. <http://cpc.people.com.cn/GB/64156/64157/4509545.htm> (accessed March 31, 2017).
8. http://language.chinadaily.com.cn/news/2012-11/19/content_15941774_3.htm; http://language.chinadaily.com.cn/news/2012-11/19/content_15941774_4.htm; http://news.xinhuanet.com/english/special/18cpcnc/2012-11/17/c_131981259.htm (accessed March 31, 2017).
9. www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1078768.shtml. Foreign Minister Wang Yi's speech at the Brookings Institute on September 20, 2013 (accessed March 31, 2017).

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Further reading

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