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The China-Japan-US Triangle: A Power Balance Analysis

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THE POWER BALANCE among China, Japan, and the United States, and perceptions of that balance, are major determinants in shaping the trilateral relationship among the three great powers. In two of my earlier essays on this subject, written in 1997 and 2001, I presented the assessment that the United States remained the strongest power among the three, followed by Japan, and that China was the weakest in terms of economic development, technological prowess, and other measurable indicators of modernization.¹ However, at the beginning of the 21st century, the power balance seems to have changed drastically in China's favor.

As one of the fastest-growing economies in the world, China's gross domestic product (GDP) has now surpassed that of Germany and may catch up with Japan's in the near future. China's military forces are becoming increasingly formidable and have expressed their intention to build aircraft carrier battle groups. In Asia, Europe, Africa, Latin America, and literally every corner of the world, China's influence is expanding along with the spread of consumer goods marked "made in China." While China has also considerably narrowed its power gap with the United States, few analysts expect China's power status to be on par with the United States anytime soon. However, more and more observers in all three countries now view China as a more powerful nation than Japan.

This snapshot of the shifting power balance has tremendous policy implications. Drawing on traditional balance-of-power theories of international politics, the conventional view is that China, as a rising

power that is challenging the existing world order, will pose a growing problem—if not a threat—to the United States and Japan. China's newly enhanced power status can be expected to give impetus to a more assertive foreign policy. In addition, there have been increasing expressions of nationalist sentiments in China, reinforcing the view that China will inevitably try to compete with the United States in assuming leadership in world affairs.² Therefore, the argument goes, the status quo power, in this case the United States, should hedge against Chinese geopolitical ambitions. The best approach to doing this, as some Americans propose, is to consolidate US alliance relationships in the Asia Pacific region, especially with Japan. Meanwhile, as a "declining power," Japan's natural choice vis-à-vis China is to balance Chinese influence by leaning closely toward the United States and building up political and security ties with other neighboring countries and areas, including covert military cooperation with Taiwan.

These perceptions of the new reality, however, miss a number of important factors that are also shaping the dynamics of interaction among the three nations. In particular, these nations must also take into account considerations of "soft power" or "smart power," a range of nontraditional security challenges, and the ramifications of the global financial crisis, and all of these elements must be weighed in order to accurately assess the trilateral power balance. This chapter, therefore, reviews the real and perceived shift in the power balance among China, Japan, and the United States, with emphasis placed on soft power and sustainable development measurements. Based on this new emphasis, a set of conclusions and policy recommendations is provided that point toward a new direction for China and trilateral relations.

PERCEPTIONS OF THE TRILATERAL POWER BALANCE

Chinese Perceptions

The ascendance of China's power has had strong repercussions not only in the outside world but also in China itself. The official media promote the notion that China's economic boom has benefited the whole world and that the increase in China's cultural and political influence is, and should be, embraced by the international community. This is expected to boost Chinese patriotism and national confidence, which are needed to sustain

social stability and fend off international pressures on China for Western-style democracy and liberalization.

Meanwhile, the Chinese official media portray the Western world, including Japan, as attempting to set up obstacles to China's rise to great power status. It is widely reported that Western countries are resisting mergers between their companies and Chinese enterprises, making excuses (like the defects in Chinese consumer goods) to protect their domestic markets, criticizing China's lack of political transparency and its human rights record, worrying about China's expansion of its military power, and sympathizing with the Dalai Lama and his followers as well as with Chinese political dissidents. The basic message to the Chinese population is that the United States, Japan, and other Western nations are jealous of, and ideologically biased against, China's reemergence.

These media reports and comments echo the sentiments among China's political and intellectual elites, particularly against the larger background of the global financial turbulence and economic recession. In a recent collection of Chinese observations on the 2008–2009 financial crisis and its implications for a global power shift, China's leading policy analysts reached the consensus that the new momentum in emerging powers, especially China, along with the deepening economic crisis in the developed world, is accelerating the multipolarization of world politics.³ Shi Yinhong, a professor at Renmin University, observed that the scale of the debilitation of US power caused by the financial crisis is comparable to the collapse of the Soviet Union. Shi shares a view that became popular in China during the global crisis—that the superiority of the capitalist market economy and liberal democracy is now dubious and that China's social system, values, and policies are increasingly appreciated and praised in the Western world.⁴

However, other Chinese commentators are more cautious about forecasting the decline of the United States in world affairs, pointing to the resilience of the US economy and the existence of a self-corrective mechanism in US politics. A widely shared projection is that the United States will remain the only superpower in the foreseeable future despite its weakened position. The United States is still very relevant in Asian regional affairs. In comparison with some criticisms in other parts of Asia that Washington has neglected Asia while fighting fires in the Middle East, the official Chinese understanding is that “the United States has increased its strategic attention to and input in the Asia Pacific region, further consolidating its military alliances, adjusting its military deployment, and enhancing its military capabilities.”⁵

Meanwhile, Japan's relevance in China's overall strategic vision has diminished remarkably. In the 1980s, when the Chinese were envious of Japan's economic expansion, there was little doubt among Chinese policymakers and analysts that Japan's strategic and economic importance to China was second only to that of the United States. In recent years, however, the European Union as a whole has become China's biggest trading partner, and its political influence has risen accordingly. With its newly regained power, Russia has loomed larger in China's strategic calculations, and an increasing number of Chinese analysts now regard Russia as a more important country than Japan. A recent public opinion poll showed that Russia is perceived by the Chinese people to be a much more popular and a more powerful nation than Japan.⁶ Other emerging powers, including India, Brazil, and South Africa, are also gaining more importance in Chinese perceptions of the global power equation.

Japanese Perceptions

With its economic stagnation in recent years, and in particular with the heavy blow of the current financial crisis, Japan's self-confidence in world affairs has plummeted. Having relied on overseas demand to drive growth, Japan in the spring of 2009 found itself in its deepest recession since World War II. In addition, Japan's aging and shrinking population poses a long-term threat to its ability to sustain economic growth. In contrast to Japan, China has demonstrated annual growth of over 8 percent for the last 30 years, and its political and cultural influence, as seen through Japanese eyes, also appears to have been enhanced. Few Japanese commentators fail to acknowledge the emergence of China, and even fewer portray Japan as a rising power.

Japan's political elites harbor ambivalent feelings about China's renewed power and confidence. It is difficult to trace the attitudes of Japanese leaders by reading their publicized comments on China, as there is little consistency there. While Junichiro Koizumi was prime minister, he reiterated the view that China's development was not a threat to Japan but an opportunity.⁷ Taro Aso, as foreign minister in the Koizumi cabinet, contradicted that statement in December 2005 by proclaiming, "China has 1 billion people and owns nuclear weapons. China's military budget has increased in the last 17 years successively, and its content is extremely opaque. China is becoming a threat to a considerable degree."⁸ Nevertheless, Aso repeatedly said he was the first foreign minister of Japan to welcome the rise of China. Then, as prime minister, Aso remarked during his visit to Beijing in April 2009, "There is indeed a voice expressing concern that, with its economy

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developed, China might embark upon the road of a great military power. We understand that in recent years China has stuck to the strategy of peace and development and made efforts to build a world of lasting peace and common prosperity. We expect China to take actions according to this strategy and dispel such worries and concerns.”⁹

Judging from the tone of such statements and from numerous public opinion polls, it is very clear that Japanese concerns about China's growing power are widespread and that China's image in Japan is largely negative.¹⁰ Ideological differences between China and Japan are an important factor in exacerbating Japanese concerns, but the perceptions of the shifting power balance seem to be more fundamental. Regardless of the state of the bilateral relationship, as long as the power balance changes in China's favor, Japanese suspicions of Chinese ambitions and intentions are likely to persist and increase.

Japan continues to pay respect to the United States' strength and leadership role and works to maintain the US-Japan alliance relationship. Nonetheless, Tokyo is concerned that when the Americans are tied up in Iraq, Afghanistan, Pakistan, and other flashpoints in the greater Middle East, and when the Chinese are seen as a more crucial partner, Washington may give short shrift to East Asia in general and to Japan in particular. To many Japanese observers, a lessening of relevance of the United States to the Asia Pacific region is deplorable but anticipated in the long run, given China's rise in capacity and influence.

The anticipation of this shift has been reinforced by some recent developments, which can be interpreted as revealing America's weaknesses and unreliability as a strategic ally. For one, the Americans have not indicated support for Japan's territorial claims in its disputes with South Korea and China. Washington expressed, almost openly, displeasure about Japan's insistence on solving the abduction issue with North Korea as a precondition for a more forthcoming attitude in the Six-Party Talks on Korean denuclearization. Also, despite its vocal support for Tokyo's endeavor to join the UN Security Council as a permanent member, Washington has not made vigorous efforts to fulfill that commitment.

To prepare for a seemingly inevitable reduction in American influence in Asia, some Japanese elites are calling for a more independent strategy and a more proactive diplomacy vis-à-vis China. Hence we find the recurrence of such ideas as “values diplomacy” and the construction of an “arc of freedom and prosperity,” as well as more recent attempts to reach out to India, Australia, and ASEAN. Quietly, a number of Japanese politicians feel sympathetic to the pro-secession movement in Taiwan as a counterweight

to the Chinese mainland, and there have been occasional reports of clandestine military cooperation between Japan and Taiwan in the form of sharing intelligence. All of these developments have implications for the dynamics of the trilateral China-Japan-US relationship.

US Perceptions

Global Trends 2025, a report prepared by the National Intelligence Council (NIC) of the United States in November 2008, presents the following description of China:

Few countries are poised to have more impact on the world over the next 15–20 years than China. If current trends persist, by 2025 China will have the world's second largest economy and will be a leading military power. It could also be the largest importer of natural resources and an even greater polluter than it is now. US security and economic interests could face new challenges if China becomes a peer competitor that is militarily strong as well as economically dynamic and energy hungry.¹¹

In terms of Japan's future, this report predicts, "Japan will face a major reorientation of its domestic and foreign policies by 2025 yet maintain its status as an upper middle rank power . . . On the foreign front, Japan's policies will be influenced most by the policies of China and the United States."¹² By linking this characterization of Japan with that of China, the writers of the NIC report seem to regard China as carrying heavier weight than Japan in the US strategic vision.

Many influential American writers, including those who prepared the *Global Trends 2025*, believe that international politics will become increasingly multipolar in nature. Richard Haass, president of the Council on Foreign Relations, concludes, "The only certainties in today's world are that geopolitics are becoming more multipolar and that America will not stay on top forever."¹³ Fareed Zakaria, editor of *Newsweek*, also envisions a "post-American" multipolar world where the United States will no longer be in a dominant position.¹⁴ Zakaria predicts,

For some countries, the current economic crisis could actually accelerate the process (of multipolarization). For the past two decades, for example, China has grown at approximately 9 percent a year and the United States at 3 percent. For the next few years, American growth will likely be 1 percent and China's, by the most conservative estimates, 5 percent. So, China was growing three times as fast as the United States, but will now grow five times as fast, which only brings closer the date when the Chinese economy will equal in size that of the United States. Then contrast China's enormous

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surplus reserves to America's massive debt burden: the picture does not suggest a return to American unipolarity.¹⁵

While noting China's ascending power, a great many American commentators are still confident that the United States will remain superior to China in overall strength in the foreseeable future and are not as alarmed as their Japanese counterparts. There appear to be three schools of American thinking regarding how the United States should respond to China as a resurgent power versus Japan as a status quo power.

The first school, represented by a number of distinguished thinkers like Henry Kissinger and Zbigniew Brzezinski, holds traditional realist or geostrategic views about the changing balance of power. These strategists see the rise of Chinese power as inevitable and advocate a strong US-China relationship. They by no means neglect Japan's importance in economics or the necessity of maintaining the US-Japan alliance. However, in geopolitical terms, China appears to play a more active role and to have more influence than Japan. According to Brzezinski, an "informal G2" is needed to cope with the global financial crisis and other current problems.

The relationship between the US and China has to be truly a comprehensive global partnership, parallel [to] our relations with Europe and Japan. Our top leaders should therefore meet informally on a regular schedule for truly personal in-depth discussions regarding not just about bilateral relations but about the world in general. We have a common interest in global stability, in social progress worldwide, in successful domestic renewal and development, and in a renovated international system.¹⁶

The G2 is a popular notion among some economists and economic decision makers. Robert Zoellick, president of the World Bank, and Justin Yifu Lin, his deputy and a renowned economist from China, noted in a joint article that "for the world's economy to recover, these two economic powerhouses must cooperate and become the engine for the Group of 20. Without a strong G2, the G20 will disappoint."¹⁷

The second school of thinkers regards China as more of a rising strategic competitor—or even a strategic rival—rather than a global partner. They would like to see the maintenance and strengthening of Japan's power position, although practically speaking they may not deny the reality of China being a growing global player. Japan, therefore, is viewed as an ideological and political ally that is expected to play the role of balancing an "autocratic" China. As Robert Kagan, an American strategic thinker, argues,

The global competition between democratic governments and autocratic governments will become a dominant feature of the twenty-first-century world. The great powers are increasingly choosing sides and identifying

themselves with one camp or the other. India, which during the Cold War was proudly neutral or even pro-Soviet, has begun to identify itself as part of the democratic West. Japan in recent years has also gone out of its way to position itself as a democratic great power, sharing common values with other Asian democracies but also with non-Asian democracies. For both Japan and India the desire to be part of the democratic world is genuine, but it is also part of a geopolitical calculation—a way of cementing solidarity with other great powers that can be helpful in their strategic competition with autocratic China.¹⁸

Obviously, to this school of thinkers, the solidification of the US-Japan alliance should be the priority in trilateral interactions, and they emphasize “common values” as well as common security goals between the United States and Japan plus Europe. Some of the thinkers in this school of thought may be labeled as “neoconservatives,” who are already sufficiently distrustful of China’s long-term strategic intentions regardless of its power position vis-à-vis other nations.

Thinkers in the third school could be characterized as “liberal institution-
alists” in some cases or “constructivists” in others. This school of thought believes that, at a time when China is gaining more strategic and economic importance, Japan should remain the cornerstone for America in Asia. Meanwhile, the United States should also encourage China to join global and regional arrangements while preventing it from getting a free hand and dominant position. Noting more uncertainties in the power balance and in the trilateral relationship, some Americans propose a “hedging strategy” toward China while working with Japan and other nations to coordinate their China policies. This school of thought casts doubt on the notion of a G2 but is also skeptical of the proposal to contain China by simply cementing solidarity with Japan. In the May/June 2009 issue of *Foreign Affairs*, Elizabeth Economy and Adam Segal, both senior fellows at the Council on Foreign Relations, countered the G2 concept, asserting that Washington should embrace a more flexible and multilateral approach to dealing with China. “A heightened bilateral relationship may not be possible for China and the United States, as the two countries have mismatched interests and values,” they wrote. “As a first step, the Obama administration should sit down with Japan, the EU, and other key allies to begin coordinating their policies toward China.”¹⁹

Given the remarkable consistencies in US policy toward East Asia from the Bush administration to the Obama administration, as well as the pragmatic nature of Obama’s foreign policy, the mainstream policy thinking in Washington toward Tokyo and Beijing may lie somewhere between the first and the third schools. Policymakers in Washington will never

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openly embrace a G2 formula, but they do work closely with Beijing on all important global issues. In the meantime, Japan remains a valuable ally in helping the United States meet the challenges it faces, including those resulting from China's rising power and influence.

DIFFERENT MEASUREMENTS OF POWER

The perceptions of the three bodies politic, as described above, are based predominantly on traditional measurements of power: economic size and growth rates, financial assets, trade volume, military capabilities, geopolitical presence, diplomatic influence, and so on. These measurements do make a great deal of sense, as they have a tremendous impact on how national leaders conceptualize their foreign policy and on how the general public views world politics.

Economic Growth

If one assesses the power balance among China, Japan, and the United States on the basis of traditional measurements, the trends are definitely in China's favor. Based on recent economic forecasts, China's GDP may catch up with that of Japan in two to three years, if not sooner, and with that of America in about 20 years. However, even when China's economy becomes equal in size to Japan's, the population of China is likely to be 10.5 times that of Japan and 4.3 times that of the United States, meaning its per capita GDP may be only one-tenth and one-twelfth that of Japan and America respectively.²⁰

Since the global financial crisis deepened toward the end of 2008, analysts have debated as to which of the three economies will take the lead in recovering from the crisis, making the future balance more obscure and unpredictable. In all likelihood, however, in both the short run and the long run, China's economy will grow much faster than those of the United States and Japan, and the US economy may continue to grow faster than Japan's.

Military Capabilities

The momentum in the military balance is tilted toward China as well. China's defense budget doubled between 2000 and 2005 and then increased by 14.7 percent in 2006, 17.8 percent in 2007, and 17.6 percent in 2008.

According to a Chinese official report, its military spending in 2009 was set to increase by another 14.9 percent.²¹ Reportedly, China is planning to build aircraft carriers to add to the blue water navy of the People's Liberation Army (PLA), and the Chinese armed forces already have a formidable nuclear missile force.

In comparison, the US military budget was to increase by 5.7 percent in 2009. The Japanese government-approved fiscal 2009 defense budget proposal represented a decline of 0.8 percent from the preceding year.²² Nonetheless, in recent years, the US military budget has been almost as large as the rest of the world's defense spending combined and is over eight times larger than the officially announced military budget of China (compared at the nominal US dollar-renminbi rate, not the PPP rate). Despite the growth in China's military power, there is no doubt that the United States remains by far the strongest military power both in the Asia Pacific region and globally. Another common understanding is that Japan's armed forces are better equipped, better trained, and more modernized than the PLA.

In addition to its military weaknesses, China has no military allies and is faced with multifaceted security threats from both within and without. A major part of China's large military machine has been directed at the need to deter the pro-secession movement in Taiwan. There are quite a few potential flashpoints along China's borders with its Asian neighbors, including domestic tensions in North Korea, Pakistan, and Afghanistan that might explode. China's territorial disputes with India, Vietnam, and other Southeast Asian countries remain unresolved. Furthermore, as illustrated by the incidents in Tibet in March 2008 and Xinjiang in July 2009, China has to be prepared to resort to military force, at least occasionally, to cope with riots and tensions in sensitive areas.

Therefore, the missions and responsibilities of China's military power are vastly different from those of the United States and Japan, and the increase in its defense budget could be easily "absorbed" by needs unrelated to the United States and Japan. As an independent force, the Chinese military's power is inferior to the US-Japan military alliance (plus the US-South Korea alliance). US arms sales to Taiwan and covert US-Japan-Taiwan military cooperation also serve the purpose of preventing China from obtaining more military advantages. Given all these factors, the overall military balance among China, Japan, and the United States will not change dramatically in the foreseeable future.

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Sustainable Development

While the above measurements are important, they offer only a partial picture. To obtain a clearer and more nuanced understanding of trilateral interaction requires alternative and additional measurements, of which "sustainable development" and "soft power/smart power" are perhaps the two most relevant elements for analyzing the power equation.

In recent years, observers both inside and outside of China have become increasingly concerned about China's development model, which has been dependent on international trade and investment from overseas (including Taiwan, Hong Kong SAR, Macau SAR, and ethnic Chinese in other countries). The high growth rate of the export-oriented economy has been attained at the expense of the environment and low-income laborers. The environmental degradation and the social disparities caused by this pattern of growth, in turn, are creating increasing tensions, dislocations, and pitfalls for China on the road ahead.

The Chinese government has realized the necessity of changing the current development model in order to sustain economic growth and social progress. It has officially adopted the concept of the "Scientific Outlook on Development," with a set of policies to redress many serious problems, such as the alarming income gaps, spiritual decay, and environmental pollution.²³

Despite this realization, stark realities remain that contradict the "Scientific Outlook." For example, China has replaced the United States as the number one emitter of greenhouse gases. China's energy efficiency is only one-third to one-seventh that of the industrialized countries. Sixteen out of the 20 most polluted cities in the world are in China.²⁴ Over 54 percent of rivers in China contain contaminants that are harmful to human beings. More than 1.15 billion Chinese residents have to drink unsafe water. Desertification is progressing at an alarming rate, with deserts now claiming 27.4 percent of China's land.²⁵ Currently, only 18 percent of the country's landmass is covered by forest (compared with 67 percent in Japan and 33 percent in America).²⁶ Natural calamities in China are increasingly frequent and disastrous (e.g., the winter storms in southern China and the Sichuan earthquake, both in 2008, and the drought that struck the north in 2009). Official reports show that the economic costs resulting from environmental pollution were US\$700 billion in 2004, more than 3 percent of China's GDP, which means a striking portion of its impressive economic growth was "swallowed" by pollution.²⁷

The Chinese government and people have made impressive and strenuous efforts to contain water and air pollution. However, China's official

targets to reduce pollution and greenhouse gas emissions are seen by many as unachievable. In the Chinese media, many government officials and political commentators are even expressing their suspicion that climate change is yet another policy tool for the West to weaken China by trying to slow down its economic growth.

To fight the impact of the global financial crisis and economic downturn, more than 4 trillion yuan is being spent to stimulate economic growth in China, which was intended to lead to an 8 percent expansion of the economy in 2009. It is reported that 80 percent of this package is for the construction of infrastructure, mostly the building of new highways, railroads, and airports. In other words, the traditional pattern of development that puts GDP growth as the top priority continues at the expense of efforts to curb pollution and carbon emissions.

The situation in the social realm is not satisfactory in China either. Indeed, the Chinese leadership has called for building up a "harmonious society" based on the "people-first" principle, which means putting priority on distributing the benefits of recent decades of speedy economic growth more evenly. The government has set aside billions of dollars in new farm subsidies; increased spending on social security, education, and healthcare; and made public efforts to root out rampant corruption. But it is an uphill task to overcome these longstanding difficulties and ease social tensions. The eruption of violent riots in Tibet in 2008 and Xinjiang in 2009 have reminded Chinese elites of the danger of intensified ethnic and religious tensions in the national minority areas. Instead of reassessing and re-adjusting policy, however, more attention and money are being allocated to tightening political, social, and informational controls.

In contrast with China, Japan is one of the most advanced "green" countries in the world, taking the lead in areas such as protecting the environment, improving energy efficiency, and developing solar- and wind-generated electricity. The decreasing Japanese population may not bode well for long-term economic growth, but it ensures that Japan will continue to set a good example in terms of keeping its energy consumption under control, keeping its educational level high, and dealing with climate change more successfully than most other countries. In addition, Japan has undertaken initiatives to provide technological assistance and funding to developing countries to assist them in coping with global warming and environmental degradation.

True, Japan's economy has been hit hard by the recent global financial crisis, and its current growth rate is barely above zero. However, Japan's very low interest rate, a high savings rate, a social safety net that covers almost

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the whole population, and the ethnic homogeneity of its population make its society much less vulnerable to the negative impact of globalization. Japan's immigration policy remains tightly controlled, and many observers regard this as an impediment to the maintenance of its labor force. Yet this policy ensures that Japanese society keeps its inherent cohesion.²⁸

Compared with Japan's policy and performance in the realm of sustainable development, the United States does not present an enviable case. America's per capita energy consumption is four times the world average, its per capita water usage is three times the world average, its per capita garbage generation is twice the world average, and its per capita carbon emissions are four times the world average.²⁹ Despite these statistics, the US government has refused to sign the Kyoto Protocol for curbing global carbon emissions.

One encouraging sign is that the entire American nation now seems determined to move in the right direction to reduce carbon emissions and improve energy efficiency. On November 18, 2008, President-elect Barack Obama proclaimed, "Few challenges facing America—and the world—are more urgent than combating climate change . . . but too often, Washington has failed to show the same kind of leadership. That will change when I take office."³⁰ The Obama administration is now committed to engaging vigorously with the international community to find solutions and help lead the world toward a new era of global cooperation on climate change.

In a speech on energy policy, Obama remarked on March 19, 2009, "We have a choice to make. We can remain one of the world's leading importers of foreign oil, or we can make the investments that would allow us to become the world's leading exporter of renewable energy. We can let climate change continue to go unchecked, or we can help stop it. We can let the jobs of tomorrow be created abroad, or we can create those jobs right here in America and lay the foundation for lasting prosperity."³¹ To be sure, whether such rhetoric and strategic vision can translate into substantive policy changes and practices remains to be seen. But given America's extraordinarily rich natural and human resources, along with its technological know-how and educational advancement, there is cause to anticipate great progress in America's energy and environmental policies, which will make its economic growth more sustainable and balanced.

Soft Power and Smart Power

An additional alternative measurement is "soft power," as well as the relatively new concept of "smart power."³² Soft power is generally defined as the

power to attract, convince, and persuade others through diplomacy, aid, the spread of values, and the force of example. Smart power, in turn, refers to a combination of hard power—to coerce by military or other means—and soft power. The phrase is a relatively recent addition to the diplomatic phrasebook, even if the concept is not. It was coined not long after the American invasion and occupation of Iraq and was presented as a liberal alternative to the aggressive neoconservatism of the Bush administration.

China's soft power has been growing rapidly in the past few years.³³ Frequently mentioned reflections of China's soft power include the apparent attraction of the Chinese model of development (the "Beijing Consensus") for the developing world, the successful hosting of the Olympics and Paralympics in Beijing in 2008, Beijing's moderate and balanced foreign policy, its expressed desire for peaceful settlement of territorial disputes with neighboring countries, its expanded and more active role in international institutions and in UN peacekeeping operations, the establishment of more than 100 Confucius Institutes to promote Chinese language and culture all over the world, and the popularity of China's cultural products.

However, the growth of China's soft power is offset by a number of constraints, including a tainted image in relation to its handling of the Tibetan and Xinjiang issues, problems related to product safety and quality, widespread corruption, the lack of government transparency, and the recent rise of radical nationalistic sentiments among Chinese students and elites.

The Chinese leadership has officially adopted the notion of soft power and has spared no effort to project a better image of China in global affairs. What is unique in such efforts is the overwhelming dependence on the government and the Communist Party to promote soft power. For example, 45 billion yuan was reportedly allocated in early 2009 to China Central Television (CCTV), the *People's Daily*, and the New China News Agency for expanding their publicity and networking. CCTV already has four international channels that broadcast in English, French, and Spanish, as well as Chinese. A new Arabic-language channel was established in July 2009, which is accessible to nearly 300 million people in 22 Arabic-speaking countries, and a Russian-language channel was launched in September 2009.³⁴

The promotion of soft power on the part of China is directed mainly at countering what the Chinese see as Western schemes to criticize and demonize China, and at "correcting" the Western media's "distortions." However, what are the political and cultural values the Chinese official media are hoping to project at home and abroad? Are there universal values that China shares with other nations, or should China's value system

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be essentially different from the so-called Western values like democracy, human rights, rule of law, and the market economy? As China attempts to correct other people's distortions, are there distortions in China about the outside world that need to be corrected as well? What should the role of civil society—which is rather weak and discouraged in China—be in promoting soft power?³⁵ These are some of the key questions being debated today in China, and they must eventually be answered as China progresses along the road toward global power status.

As both its hard power and soft power are on the rise, China's smart power will certainly grow and be exerted in global affairs. Chinese policymakers have demonstrated a remarkable ability to understand changes in world politics and to use their power to influence others. As was noted by Kishore Mahbubani, a respected Singaporean political commentator,

Chinese policymakers are better students of history than their American counterparts . . . China has become geopolitically more competent than America: China is aware that the world has changed. China does careful global geopolitical calculations in which it tries to objectively analyze its geopolitical assets and liabilities. It then works out a long-term plan to enhance its assets and minimize its liabilities. Each time a new problem surfaces, China looks for advantage in it, assuming that it must adapt to the world, not shape the world as it wishes.³⁶

However, domestic weaknesses and problems in coordinating domestic and foreign policies do constitute constraints on China's ability to exercise "smart power" abroad.

Japan's soft power appears to be holding steady in the world. In recent years, Japan has invested substantial sums in the exercise of soft power to shape hearts and minds abroad. For example, it was reported that former Prime Minister Yasuo Fukuda showed a deep interest in enhancing Japan's cultural influence in the United States and China. During his 24-hour stay in Washington in November 2007, for example, he met with 26 representatives from the field of Japan-related education with the objective of promoting the status of Japanese studies in America and promoting US-Japan cultural exchange. According to news reports, in a conversation the previous month with Gerald Curtis, a professor at Columbia University and a leading Japan scholar, Fukuda expressed true concern over the development of Japan's soft power as a whole, including the strengthening of relations with the United States.³⁷

Japan's soft power also lies in its culture, and more prominently in its current popular culture—electronic games, anime, manga, novels, film, fashion, "cosplay" cafes, and other creative cultural products—that are

hugely popular in South Korea, the Chinese mainland, Taiwan, Hong Kong SAR, and elsewhere in Asia. It is hard to fathom the extent to which these cultural goods and phenomena can translate into political influence, but they are surely helpful in conveying a positive image of Japan.

On the other hand, Japan's soft power, and for that matter its smart power, is seriously hampered by a number of deficiencies. In the eyes of many international observers, in recent years Japan has lacked a clear strategic direction and a positive vision of its future. As Aurelia George Mulgan explains, "In many ways, Japan now finds itself a ship without a rudder." Internally, a divided Diet and dissent in both the Liberal Democratic Party and the Democratic Party of Japan injected uncertainty into the policy process and obscured Tokyo's foreign policy, at least until the historic elections in August 2009. "With so many internal problems," Mulgan notes, "Japan now can no longer even contemplate extending its influence abroad."³⁸ Internationally, Japan's unapologetic attitude toward its World War II (and earlier) history has severely impaired its leadership credentials in Asia. In addition, Japan's civil society is still underdeveloped. Full-fledged Japanese think tanks are few, and those concerned with international affairs are not playing a significant role in Japan's foreign policymaking. Therefore, while Japan enjoys a positive international image in some aspects and its economic power remains formidable, it has lacked the capability to generate sufficient smart power. Although Japan's new prime minister, Yukio Hatoyama, has put forward some new ideas like the "spirit of fraternity" and proposals such as the establishment of an "East Asian Community," to what extent these ideas and proposals will increase Japan's smart power remains to be seen. Thus far, many international observers, including many in China, are doubtful that Japan is really moving into a new era.

As for the United States, a public opinion survey done by the Chicago Council on Global Affairs in 2008 showed that America's soft power in Asia greatly exceeds that of China. When looking at the five categories of soft power separately, the United States was ahead of China in four: political, human capital, economic, and diplomatic, China was ahead only in culture.³⁹

Despite the decline of US soft power worldwide since the Iraq War and the further damage done by the financial crisis, it now seems to have gained some momentum toward recovery. The election of Barack Obama as the first nonwhite US president and the appointment of Hillary Clinton as secretary of state boosted the US image in Asia. Hopes have been rekindled in America and many other nations that the United States will play a more constructive role in world affairs. These hopes were best reflected by the

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international responses to the award of the 2009 Nobel Peace Prize to President Obama for his extraordinary efforts to strengthen international diplomacy and cooperation between peoples. However, a lot depends on whether the Obama administration can use its hard and soft power in a smarter manner than was done in the past, whether the United States will be able to lead the world out of the current financial and economic quagmire, and whether Americans will honor their commitment to setting a good example and playing a leading role in making the planet more "green and clean."

CONCLUSION

In looking ahead at the evolving power balance among China, Japan, and the United States over the next few years, the conventional wisdom among politicians and policy analysts in all three countries is that China's power and international influence will continue ascending rapidly, whereas the balance is likely to tilt toward the United States in the US-Japan leg of the equation.

This conventional wisdom is based largely on the traditional measurements of power, in particular economic growth and military capabilities. However, when one adjusts the prism to reflect the dimensions of sustainable development, distribution of social welfare, governance, and soft power or smart power, the picture is vastly different. For example, in the sustainable development dimension, Japan is doing better than the United States, and China is definitely the most vulnerable. If China does not change its mode of production and consumption and continues to rely heavily on its already deteriorating environment and cheap labor, its edge in economic growth will be lost. It might also be fair to point out that the United States currently has the greatest soft power, followed by that of Japan (in Asia at least), and China lags behind. Unlike the case with hard power measurements, it would be difficult for China to catch up with Japan and the United States in terms of soft power.

On the one hand, it will serve the best interests of the United States and Japan to embrace a stronger, more prosperous, and more stable China and to encourage China to move toward a market economy, good governance, and the rule of law. On the other hand, overestimating Chinese power on the part of Japan and the United States runs the risk of overreaction and of being caught in a "security dilemma." US-Japan coordination in hedging against the rise of China may appear plausible and appealing to some

interest groups in both countries. To see China as the target of the US-Japan alliance, however, would backfire. Particularly for Japanese policymakers, China's resurgence should not be seen as a zero-sum game in which Japan is on the losing side of the equation.

On the part of China, the regained confidence in its power is helping the country rid itself of the "siege mentality" that characterized the Chinese mindset about the world for a long period, starting with the First Opium War of 1839-1842. Meanwhile, Chinese policymakers and analysts should also avoid overestimating the power and influence that China is obtaining. After all, China's economic, political, and diplomatic successes will continue to depend largely on its successful management of relationships with the United States and Japan. Furthermore, overconfidence about China's strength and growth, along with an underestimation of Japan or the United States, would do a disservice to its long-term interests. Surging Chinese power will inevitably give rise to Chinese nationalism. One real challenge for the Chinese leadership, therefore, is to encourage a healthy sense of patriotism while keeping excessive nationalism at bay.

The most serious threats to China's national security, domestic stability, and economic growth come from within rather than without. China should regard neither the United States nor Japan as the major threat to its security if these two countries do not see China as a major threat. For historical reasons and because of concerns about a possible conflict over Taiwan, Beijing has had strong reservations about the US military presence in the Asia Pacific region and the continuation of the US-Japan alliance. However, at a time when China faces more serious challenges ranging from the global financial crisis to nuclear proliferation and nontraditional security issues, and with the remarkable improvement in cross-strait relations, the maintenance of the US presence in Asia should be accepted not only as a *fait accompli*, but also as a potentially advantageous point. US participation in Asian affairs and strengthened China-US cooperation in the region, for example in the context of APEC, will benefit both China and Japan. By the same token, Japan's legitimate and reasonable aspirations to become a "normal country" should be recognized as long as it maintains its status as a non-nuclear power. To the extent that the US-Japan alliance serves to reassure Japan and thus keep it away from nuclearization, China should at least acquiesce to it.

While military security and the nonproliferation of nuclear weapons are still important, the China-Japan-US relationship needs a new focus, one that takes up issues such as energy efficiency, climate change, environmental protection, public health, and other nontraditional security

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issues. In exploring its particular development model, China should avoid repeating the American mistakes of overspending, overconsumption of energy (driving large cars, competing to build the largest skyscrapers, etc.), and the wasteful use of land (building numerous golf courses) and other natural resources. Instead, China should look more to Japan for lessons in protecting the environment, saving water and energy, and economizing on raw materials. On the road toward a "harmonious society," China has a lot to learn from American and Japanese experiences.

A new form of trilateral cooperation can be established by starting with the global challenge of climate change. The three countries should coordinate their positions to make the ongoing negotiations on a global climate change treaty a success and should jointly and faithfully carry out any subsequent UN resolution on the issue. The three governments and NGOs in the three countries should encourage and support efforts to initiate trilateral and multilateral cooperation on alternative energy sources and energy efficiency. Meanwhile, scholars and experts in the three countries can undertake joint research projects to compare their development models and find ways to work together to influence their societies to adopt healthier, more environmentally friendly lifestyles.

In conclusion, refocusing on sustainable development and good governance should pave the way for more comprehensive and effective cooperation that will benefit the three peoples in the 21st century. Only by doing so will the three strongest economic powers in today's world be truly able to avoid the strategic competition and rivalry that characterized the 20th century and brought about so much human tragedy.

NOTES

1. See Morton Abramowitz, Yoichi Funabashi, and Wang Jisi, *China-Japan-US: Managing the Trilateral Relationship* (Washington DC: Brookings Institution and Japan Center for International Exchange, 1998); and Morton Abramowitz, Yoichi Funabashi, and Wang Jisi, *China-Japan-US Relations: Meeting New Challenges* (Washington DC: Brookings Institution and Japan Center for International Exchange, 2002).
2. A bestselling book, *China Is Unhappy*, published in China in March 2009, presents the notion that "with Chinese national strength growing at an unprecedented rate, China should stop self-debasing and come to recognize the fact that it has the power to lead the world, and the necessity to break away from Western influence." The book further argues, "We need a country with an accumulation of history, generations of civilization and a population big enough to carry out such reforms (in the international order). China is doing pretty well in this structure but the structure can't continue. China needs to act as a savior. This is our historical task." Cited in Jane Macartney, "China Is Unhappy:

- Censors Take Hands-Off Approach to Bestseller," *Timesonline*, March 26, 2009, <http://www.timesonline.co.uk/tol/news/world/asia/china/article5981766.ece>.
3. "The Current International Financial Crisis and the Transition of the International System—A Symposium Held by the China Institutes of Contemporary International Relations," in *Xiandai Guoji Guanxi* [Contemporary international relations], no. 4 (2009): 1–42.
 4. *Ibid.*, 14–15.
 5. "China's National Defense in 2008," white paper released by the Information Office of the State Council of the People's Republic of China, January 2009, http://news.xinhuanet.com/english/2009-01/20/content_10688124.htm.
 6. According to a poll conducted by the Horizon Research Consultancy Group from 2000 to 2004, Chinese citizens' feelings toward Russia were more positive than those toward the United States or Japan. Around 30 percent of respondents thought Russia was a friendly country toward China, while less than 5 percent liked Japan. The respondents also viewed Russia as a more powerful country than Japan. See http://www.horizonkey.com/showart.asp?art_id=376&cat_id=6.
 7. See, for example, Xinhua News Agency, "Koizumi States China's Development Is Not a Threat But an Opportunity," November 10, 2004.
 8. "Japanese Foreign Minister Openly Plays Up the China Threat Theory," *Xin Jing Bao*, December 23, 2005, <http://news.thebeijingnews.com/0099/2005/1223/011@149961.htm>.
 9. "Ribben shouxiang Masheng zai Jing yanjiang bochi Zhongguo weixielun" [Japanese Prime Minister Aso rejects China threat theory in Beijing speech], *Chongqing Evening News*, May 1, 2009, <http://cqwb.cqnews.net/webnews/html/2009/5/1/327916.shtml>.
 10. According to a public opinion survey sponsored by the Japanese government and released in December 2008, two-thirds of Japanese citizens did not feel friendly toward China, the highest percentage since 1978. "Ties with US Shaky, Record-High 28% Say," *Japan Times*, December 7, 2008, <http://search.japantimes.co.jp/print/n20081207a2.html>.
 11. National Intelligence Council, *Global Trends 2025: A Transformed World* (November 2008), 29, www.dni.gov/nic/NIC_2025_project.html.
 12. *Ibid.*, 33–34.
 13. Richard N. Haass, "The Age of Nonpolarity: What Will Follow US Dominance," *Foreign Affairs* 87, no. 3 (May/June 2008), <http://www.foreignaffairs.com/articles/63397/richard-n-haass/the-age-of-nonpolarity>.
 14. Fareed Zakaria, *The Post-American World* (New York: McGraw-Hill, 2008).
 15. Fareed Zakaria, "Wanted: A New US Grand Strategy," *Washington Post*, December 1, 2008, http://newsweek.washingtonpost.com/postglobal/fareed_zakaria/2008/12/wanted_a_new_grand_strategy_1.html.
 16. Zbigniew Brzezinski, "Moving toward a Reconciliation of Civilizations," *China Daily*, January 15, 2009.
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 18. Robert Kagan, "The End of the End of History," *New Republic*, April 23, 2008, <http://www.tnr.com/environmentenergy/story.html?id=ee167382-bd16-4b13-beb7-08effe1a6844>.
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 20. Calculated based on data from the International Monetary Fund's World Economic Outlook Database (October 2009 edition), <http://www.imf.org/external/pubs/ft/weo/2009/02/weodata/index.aspx>.

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21. Xinhua News Agency, "China's Defense Budget to Grow 14.9 Percent in 2009," *China Daily*, March 14, 2009.
22. "Japan Defense Focus," Japanese Ministry of Defense official website, <http://www.mod.go.jp/e/jdf/no12/topics.html>.
23. "Scientific Outlook on Development" is a concept initiated by the 16th Central Committee of the Communist Party of China (CPC) in 2003. It stresses a comprehensive, balanced, and sustainable development that is people oriented. With priority on addressing the needs and protecting the rights of the people, the country will grow not only in economic terms but also in political and cultural terms. The growth aims to bridge regional disparities and the urban-rural gap and to preserve natural resources and the environment. This concept forms the core of the policies of the CPC's current leaders, headed by Hu Jintao. At the 17th CPC National Congress in October 2007, it was formally included in the Communist Party Constitution.
24. Kai N. Lee with Lisa Mastny, "World Is Soon Half Urban," *Vital Signs 2007-2008* (Washington DC: World Watch Institute, 2007), 52.
25. "Facts & Figures: China's Basic National Circumstances of Climate Change," *People's Daily*, June 4, 2007, http://english.people.com.cn/200706/04/eng20070604_380718.html.
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27. "Zhongguo shouci fabiao luse GDP baogao, wuran sunshi zhan GDP 3.05%," [China releases its first green GDP report, stating pollution causes loss of 3.05% of GDP], *Xinhua News*, September 9, 2006, http://news.xinhuanet.com/fortune/2006-09/07/content_5062240.htm. For further data indicating the impact of environmental degradation on China, see Wang Jisi, "Cong Zhongmeiri lilian duibi kan sanbian guanxi de fazhan qushi" [The trend in China-Japan-US trilateral relations through the prism of power balance], *Guoji Zhengzhi Yanjiu* [International Politics Quarterly], no. 3 (2008): 8-12.
28. In the United States, new immigrants, together with the ethnic and cultural diversity they bring to the country, have caused worries and identity problems, as described by the late Harvard professor Samuel Huntington. See Samuel P. Huntington, *Who Are We? The Challenges to America's National Identity* (New York: Simon & Schuster, 2004). In China, 140 million people, or 15 percent of the total work force, are economic migrants on the move. This scale of social mobility may contribute to the economic boom, but the social and ecological costs are also enormous. Some Chinese commentators have analyzed the reasons why there was no apparent panic in Japan during the 2008-2009 financial crisis, pointing out that Japan's high savings rate, low unemployment rate, and social safety network give Japanese society enough resilience and confidence in coping with the crisis. See, for example, Ding Gang, "Weiji laile, Riben weisha meiluan" [Why Japan is not in chaos when the crisis comes], *Oriental Morning Post*, February 18, 2009, A19; Ma Ting, "Weiji laile, Riben weihe buhuang" [Why Japan has no panic when the crisis comes], *Global Times*, February 20, 2009, 11.
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37. Yoo Jae-woong, "Smart, Soft Powers Key to Promoting National Interests," December 30, 2007, Korea.net, http://www.korea.net/News/news/newsView.asp?serial_no=20071224024&part=111&SearchDay.
38. Aurelia George Mulgan, "Why Japan Can't Lead," *World Policy Journal* 26, no. 2 (Summer 2009): 101-10.
39. The survey concludes that "Asians have great respect for American businesses, popular culture, education, diplomatic efforts, and ... political system," and that "importantly and somewhat surprisingly, survey results indicate that China's 'charm offensive' has thus far been ineffective." See *Soft Power in Asia: Results of a 2008 Multinational Survey of Public Opinions* (Chicago: Chicago Council on Global Affairs, 2008), 34.