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# Hegemony, not anarchy: Why China and Japan are not balancing US unipolar power

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# Abstract

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# Hegemony, not anarchy: Why China and Japan are not balancing US unipolar power

PETER VAN NESS<sup>1</sup>

Ten years after the collapse of the Soviet Union, the debate about how best to understand our post-Cold War world continues with no resolution in sight. The major competing images (for example, ‘end of history’, ‘clash of civilisations’, ‘borderless world’, or ‘new medievalism’) capture at best only one or two dimensions of the complexities of today’s world.<sup>2</sup> Amidst the contending images and paradigms, however, there does seem to be a consensus about the predominance of US power. While there is much debate about how sustainable America’s preeminent global role may be, few scholars today would contest the proposition that the United States is militarily, economically, and in most fields scientifically and technologically predominant. Thus, terms like ‘unipolar power’ and, in Europe, the less admiring ‘hyperpower’ have become common parlance.<sup>3</sup> Policy analysis has focused on the use, and abuse, of US global power.

<sup>1</sup> Visiting Fellow, Contemporary China Centre and Department of International Relations, Research School of Pacific and Asian Studies, Australian National University. This paper will be published in *International Relations of the Asia-Pacific* 2(1) 2002, and is reprinted here with the kind permission of the Editor-in-Chief, Inoguchi Takashi. My thanks to the following colleagues for their critical comments on earlier drafts of this article and suggestions for improvement: Chen Mumin, Thomas Christensen, Greg Fry, Inoguchi Takashi, Peter Katzenstein, Paul Keal, Sean Lynn-Jones, Namatame Norifume, Chris Reus-Smit, Richard Tanter, Shin Soo-Jeong, and two anonymous reviewers.

<sup>2</sup> G. Fry and J. O’Hagan, eds, *Contending images of world politics* (New York: St. Martin’s Press, 2000).

<sup>3</sup> For example, the United States is characterised as ‘the sole and unique hyperpower’ by French Foreign Minister, Hubert Vedrine, quoted in R. A. Levine, ‘An American “hyperpower” by European default’, *International Herald Tribune* 13 October 2000, p. 12.

Despite this consensus about the predominance of US power, much contemporary international relations scholarship fails to take into account the pervasive influence of US structural power. Realists and neorealists, for example, continue to assume that the character of the global system is best understood as anarchy, and that the security policies of major powers, as a result, will inevitably be designed on the basis of self-help strategies. New contenders, they insist, will inevitably emerge to challenge US unipolar power.

Kenneth Waltz, for one, argues that realism ‘remains the basic theory of international politics’, but contrary to realist expectations, none of his major candidates for the next great power (the European Union, China, Japan and Russia) have thus far sought to balance US power. His conclusion nonetheless is that, assuming anarchy, they must do so in the future as a part of ‘the all-but-inevitable movement from unipolarity to multipolarity’ that is taking place in Asia.<sup>4</sup> The failure of major powers to balance American power ten years after the collapse of the Soviet Union constitutes a major anomaly in the realist interpretation.

Critiquing Waltz’s argument, this essay will make the case that the United States today plays a hegemonic role in different ways in different parts of the world. Contrasting my understanding with Waltz’s interpretation, but focusing on East Asia as he has suggested, I will specifically address the question of why neither the People’s Republic of China (PRC) nor Japan has chosen to balance the United States. I want to show that China’s and Japan’s reluctance to seek to balance American power can be better explained by alternative understandings of the structure of the global system, based on concepts of hegemony and globalisation.<sup>5</sup>

<sup>4</sup> K. N. Waltz, ‘Structural realism after the Cold War’, *International Security* 25(1) 2000, pp. 32 and 41.

<sup>5</sup> The Gramscian concept of ‘hegemony’ used here is primarily drawn from R. W. Cox in R. W. Cox with T. J. Sinclair, *Approaches to world order* (Cambridge: Cambridge University Press, 1996). By ‘globalisation’, I mean the multifaceted processes of transformation described in D. Held, A. McGrew, D. Goldblatt and J. Perraton, *Global transformations: Politics, economics, and culture* (Stanford:

I will argue that China and Japan, both in different ways strategic dependents of the United States, devise their national security policies to deal with a world that is not, for them, characterised by anarchy. Instead, they perceive a hierarchical world environment, structured in terms of a combination of US military-strategic hegemony and a globalised economic interdependence. They devise strategies based on the perceived benefits/costs of participation in that system, as compared with opting out of it.

Each of the two countries has the capabilities to reject dependency on the US, but neither is even close to doing so, because Japan's leaders can no more conceive of a world without the US security commitment<sup>6</sup> than China can consider opting out of the global capitalist market and returning to the Maoist economic strategy of self-reliance. Moreover, both have recent, unhappy experiences of attempting to balance against the US (Japan in alliance with Germany during World War II, and China during the first two decades of the Maoist period); each paid a heavy price for doing so.

For China and Japan, what realists would see as 'bandwagoning' is their only option—unless they are forced out of the system by basic rule-changes insisted upon by the hegemon. Participation in the hegemonic system provides such substantial benefits that each has become dependent upon continuing to receive them. Japan has enjoyed these benefits for over half a century, and even China, ruled by a communist party, has chosen dependency on the leading capitalist country and stayed the course already for over 20 years.

Stanford University Press, 1999) to include the imperatives labelled the 'golden straitjacket' by T. L. Friedman, *The Lexus and the olive tree: Understanding globalization* (New York: Farrar Straus Giroux, 1999), chapter 5. Critical perspectives like that of N. Klein, *No logo: Taking aim at the brand bullies* (New York: Picador, 1999) also help to illuminate the dynamics of globalisation.

<sup>6</sup> Y. Soeya, 'Japan: Normative constraints versus structural imperatives', in M. Alagappa, ed., *Asian security practice: Material and ideational influences* (Stanford: Stanford University Press, 1998).

Their international positions with respect to US hegemony are embedded in and supported by domestic development strategies, social identities, and ruling-party legitimacy claims (for example, the Japanese self-image of ‘pacifist nation’, and the extent to which the Chinese Communist Party (CCP) legitimacy has become dependent on assuring high and continuing rates of economic growth). However, dependency always has a price. Clearly, Japan is more comfortable in its dependent relationship with the US than is the CCP regime.<sup>7</sup>

Nonetheless, there are substantial benefits for China.<sup>8</sup> In the 20 years since the CCP leadership began its domestic market reforms and ‘open policy’ with respect to foreign aid and investment, China has averaged annual economic growth rates of nine per cent. The training of PRC students and scholars in the West, most importantly in the US, by itself constitutes the most significant transfer of technology to one country in a short period of time ever. Without doubt, over the past 20 years, China has obtained what it needed for its economic modernisation from abroad (capital, technology and access to markets) in greater amounts and at less cost than any previous country, including Japan during Meiji. Yet China’s CCP leadership continues to actively resist the inroads of American culture, especially the pressure to democratise, while sustaining its dependent role. To different degrees, Japan and even the European allies also reject US cultural influences while acquiescing, much more happily than China to be sure, to US dominance.

States existing under the US hegemonic order in East Asia have to adjust to the changing role of the hegemon. Most importantly, these states are concerned about the sustainability of the benefits provided by the

<sup>7</sup> By participating in the US hegemonic system, China faces new kinds of security threats that self-help strategies cannot help to resolve. P. Van Ness, ‘Unconventional threats to China’s national security: A teaching note’, *Journal of Contemporary China* 9(23) 2000.

<sup>8</sup> See N. R. Lardy, *China’s unfinished economic revolution* (Washington, DC: Brookings Institution Press, 1998), E. Economy and M. Oksenberg, eds, *China joins the world: Progress and prospects* (New York: Council on Foreign Relations Press, 1999), and E. F. Vogel, *Living with China: US–China relations in the twenty-first century* (New York: W. W. Norton, 1997).

hegemon, on the one hand, or new costs to be exacted, on the other. A hegemon by definition has the power unilaterally to change the rules of the system in fundamental ways that may seriously affect the security of dependent states.

The Bush administration's commitment to build and to deploy missile defences, both a national missile defence (NMD) system to protect the US and a theatre missile defence (TMD) system in East Asia, are forcing such a reconsideration in China and Japan. A US decision to deploy NMD would threaten the viability of China's nuclear deterrent and its fundamental sense of national security. Early Japanese enthusiasm for TMD, which led to a decision to engage in joint research with the US, has now been tempered by concerns that missile defence participation might isolate Japan in the Northeast Asian region, in confrontation potentially with both China and Russia, the region's two other major powers—especially if missile defence in the United States ultimately became part of a 'fortress America' strategic design, to depend on projecting power from US territories in the Pacific and withdrawing US troops from the region. In what might be understood as a *mismanaged hegemony*, President Bush's new strategic 'vision' has the potential to disrupt the stability of the Asia-Pacific from which virtually all countries in the region have benefited so substantially over the past 25 years.<sup>9</sup>

In this essay, I will, first, describe the US hegemonic system, next analyse the roles of Japan and China within that system, and then examine how US plans for missile defence might transform the system. Finally, in the conclusion, I will draw out some of the critical implications from my analysis for realist interpretations of the international politics of East Asia.

## **US HEGEMONY IN EAST ASIA**

The United States maintains a very particular type of hegemonic system in East Asia (that is analogous to, but different from, Western Europe and the Americas, where US power is also predominant). There are

<sup>9</sup> For advice to the Bush administration on how best to manage US hegemony, see G. J. Ikenberry, 'Getting hegemony right', *The National Interest* 63(Spring) 2001.

implied rules: states may not make war against each other (unless both are communist-party states, as in the Vietnam invasion of Cambodia in 1978 and the China–Vietnam war of 1979); non-nuclear states may not formally go nuclear (but a ‘virtual’ nuclear power like Japan<sup>10</sup> is tolerated); all states are encouraged to become ever more deeply integrated into the capitalist world market and to open their economies to foreign investment; and they are pressured by the United States to become formal democracies—to the point that some authoritarian regimes, especially China, have identified these pressures as serious threats to their national security.<sup>11</sup>

The US strategic role in East Asia is best understood as one of ‘hegemony’ in the Gramscian sense of ‘consensus protected by the “armor of coercion”’.<sup>12</sup> Robert Cox spells out the implications of the Gramscian concept:

Hegemony at the international level is thus not merely an order among states. It is an order within a world economy with a dominant mode of production which penetrates into all countries and links into other subordinate modes of production. It is also a complex of international social relationships which connect the social classes of the different countries. World hegemony can be described as a social structure, an economic structure, and a political structure; and it cannot be simply one of these things but must be all three. World hegemony, furthermore, is expressed in universal norms, institutions, and mechanisms which lay down general rules of behavior for states and for those forces of civil society that act across national boundaries, rules which support the dominant mode of production.<sup>13</sup>

<sup>10</sup> The meaning of ‘virtual’ here is that Japan has the capability to become a nuclear-weapons power, if it should choose to, in a very short period of time. For a concept of ‘virtual deterrence’, see A. Mack, *Proliferation in Northeast Asia*, Occasional Paper No. 28 (Washington, DC: Henry L. Stimson Center, July 1996), p. 17.

<sup>11</sup> D. Roy, ‘Human rights as a national security threat: The case of China’, *Issues & Studies* 32(2) 1996.

<sup>12</sup> W. I. Robinson, *Promoting polyarchy: Globalization, US intervention, and hegemony* (Cambridge: Cambridge University Press, 1966), p. 22.

<sup>13</sup> Cox with Sinclair, *Approaches to world order*, p. 137.

For Gramsci, 'ideas and material conditions are always bound together, mutually influencing one another, and not reducible one to the other'. The hegemonic state 'maintains cohesion and identity within the bloc through the propagation of a common culture'.<sup>14</sup>

Fundamental to the Gramscian concept of hegemony, as adapted by Cox to international relations, is the understanding that it combines both hard and soft power.<sup>15</sup> Hegemony in this sense is maintained not only by a predominance of military and economic might but also by propagating particular norms and values.<sup>16</sup> Cultural power is a key component of this concept of hegemony. In sustaining the US role as hegemon in East Asia, the propagation of human rights, democracy, and other liberal values by the United States therefore is as important as the maintaining of its military bases. Moreover, US strategic hegemony is linked inextricably with the expansion of the world market economy and the globalisation of capitalist modes of production. Thomas Friedman concludes that 'In the globalisation system, the United States is now the sole and dominant superpower and all other nations are subordinate to it to one degree or another'.<sup>17</sup>

This is not an anarchic system. It is obviously true that the global system lacks an authoritative world government, but to infer from that fact that state-actors inevitably perceive the world as some approximation of anarchy is to misunderstand the nature of interstate relations in today's world. Moreover, neither the global system nor the East Asian sub-system is multipolar in the sense that any of the other major powers, since the collapse of the Soviet Union ten years ago, has acted to provide an alternative to US power. To serve as an effective 'pole' in international

<sup>14</sup> Cox with Sinclair, *Approaches to world order*, p. 132.

<sup>15</sup> J. Nye, 'Soft power', *Foreign Policy* 80(Fall) 1990.

<sup>16</sup> For different interpretations of how America implements its soft power abroad, see R. W. Cox, G. J. Ikenberry and T. Inoguchi, *American democracy promotion: Impulses, strategies, and impacts* (Oxford: Oxford University Press, 2000).

<sup>17</sup> Friedman, *The Lexus and the olive tree*, p. 11.

politics, a state must be able to attract other states to join in concert to achieve common objectives.

Which other states, large or small, would perceive it to be in their 'national interest' to ally with China, Japan or Russia against the United States?<sup>18</sup> Only the European Union among the four candidates for 'pole' has the combination of hard and soft power necessary to win adherents, but then the European Union, as a community of independent states, has the unique problem of being unable to make timely decisions on important strategic issues because of the need to gain consensus among its members, and even when it can achieve consensus it usually finds itself more in agreement than in opposition to the United States.

With the exception of North Korea and Burma on the periphery, all of the states in East Asia are in varying degrees strategic dependents of the United States because of the role that the US plays as guarantor of strategic and economic stability in the region and because of the access that it provides to the immense US market.<sup>19</sup> Recent examples of the US military-strategic role as guarantor are the interventions in North Korea in 1994 to stop the development of nuclear weapons,<sup>20</sup> in the Taiwan Straits in 1996 to oppose the PRC 'missile exercise' threat of force against

<sup>18</sup> S. W. Garnett, ed., *Rapprochement or rivalry? Russia–China relations in a changing Asia* (Washington, DC: Carnegie Endowment for International Peace, 2000).

<sup>19</sup> A. Acharya, 'Realism, institutionalism, and the Asian economic crisis', *Contemporary Southeast Asia* 21(1) 1999.

<sup>20</sup> L. V. Sigal, *Disarming strangers: Nuclear diplomacy with North Korea* (Princeton: Princeton University Press, 1998), and S. Snyder, *Negotiating on the edge: North Korean negotiating behavior* (Washington, DC: United States Institute of Peace Press, 1999).

Taiwan,<sup>21</sup> and in East Timor to broker the Indonesian acceptance of an Australian-led military intervention in 1999.<sup>22</sup>

US strategic doctrine describes three key US responsibilities in the region: 'to shape the international environment; respond to the full spectrum of crises; and prepare now for an uncertain future'. Committing 100,000 military personnel to the Asia–Pacific region for the foreseeable future, the US prepares for any eventuality.<sup>23</sup> In East Asia, American strategic hegemony builds on a foundation of economic interdependence in the region (a structure of foreign trade, aid, investment and technology transfer) initiated by Japan as a means of rebuilding its devastated country after the end of World War II.

#### **JAPAN: 'PACIFIST NATION'**

For years, realists have been predicting that Japan, especially on the basis of its immense economic power, would emerge to challenge the United States, but it hasn't. In 1993, Waltz wrote:

For a country to choose not to become a great power is a structural anomaly. For that reason, the choice is a difficult one to sustain. Sooner or later, usually sooner, the international status of countries has risen in step with their material resources. Countries with great-power economies have become great powers, whether or not reluctantly.... How long can Japan and Germany live alongside other nuclear states while denying themselves similar capabilities?<sup>24</sup>

<sup>21</sup> J. W. Garver, *Face off: China, the United States, and Taiwan's democratization* (Seattle: University of Washington Press, 1997).

<sup>22</sup> R. Tanter, M. Selden and S. R. Shalom, eds, *Bitter flowers, sweet flowers: East Timor, Indonesia, and the world community* (Lanham, MD: Rowman & Littlefield, 2000).

<sup>23</sup> United States Department of Defense, Office of International Security Affairs, *The United States security strategy for the East Asia–Pacific region* (Washington, DC: US DOD, November 1998), p. 8.

<sup>24</sup> K. N. Waltz, 'The emerging structure of international politics', *International Security* 18(2) 1993, p. 66.

Instead, 56 years after the end of World War II, the conservative Liberal Democratic Party regime in Japan continues to opt for dependence on the United States.<sup>25</sup> Why? Why would Japan, a country enjoying the second largest economy in the world and having built the most modern conventional military in East Asia after the US, continue to shelter under US hegemony?

Part of the answer is history.<sup>26</sup> Japan attempted in the past to balance US power by, first, allying with fascist Germany and Italy in the early years of World War II (in the Tripartite Pact of September 1940) and, later, confronting the United States directly by attacking Pearl Harbor in December 1941. But Japan suffered terribly as a result: more than three million Japanese dead, the atomic bombings of Hiroshima and Nagasaki, and the loss of an empire that once had stretched from the Russian border with China in the north to include most of China's major cities, all of Southeast Asia, and much of the western Pacific. Japan's exceptionalist, 'pacifist nation' self-image today, as the only country ever to be attacked with nuclear weapons, and the continuing citizen resistance to amending Article 9 in the Constitution obviously derive from that history.

From a different perspective, Japan's World War II history also plays a role in constraining the evolution of any expanded strategic influence in the region for Japan. Especially in China and Korea, memories of Japan's wartime atrocities (for example, Unit 731 which carried out experiments on human subjects, the 'comfort women', and the rape of Nanjing) are kept fresh by those Asian leaders who are anxious to avoid having to deal with a remilitarised Japan. Moreover, Japan has no natural allies in the region, countries that might be willing to follow Tokyo's lead in providing a strategic alternative to the United States. On the contrary,

<sup>25</sup> T. Inoguchi and P. Jain, eds, *Japanese foreign policy today: A reader* (New York: Palgrave, 2000).

<sup>26</sup> Our understanding of contemporary Japan has been immensely enriched by the recent publication of two classic historical studies: J. W. Dower, *Embracing defeat: Japan in the wake of World War II* (New York: W. W. Norton, 1999) and H. P. Bix, *Hirohito and the making of modern Japan* (New York: Harper Collins, 2000).

Japan's immediate neighbours are among the most opposed to a greater military role for Japan.

The strategy that Japanese leaders adopted to rebuild their country economically after the devastation of World War II was made possible by security guarantees from the United States, and over time, a symbiotic relationship has evolved between the patterns of economic interdependence initiated by Japan in the region and US strategic hegemony. For example, in 1991, when I interviewed former Japanese foreign minister Okita Saburo in Tokyo, I asked him about the feasibility of multilateral security institutions, like the Conference on Security and Cooperation in Europe (now Organization for Security and Cooperation in Europe) for the region. 'Would something like the CSCE be a good idea for East Asia', I asked. 'No', he replied, 'but it already exists. It is economic'.

What Okita was referring to was the structure of foreign trade, aid, investment and technology transfer between Japan and the rest of East Asia that has been carefully constructed in the post-World War II period by the Japanese. Some wag once labelled it 'Greater East Asian Co-Prosperty Sphere II', suggesting a comparison with Japan's World War II policies. Many of the objectives are indeed the same: gaining access to vital natural resources and markets for Japan's industrialisation. But obviously the means are quite different. This time Japan's relations with Asia would be built on voluntary cooperation rather than enforced compliance, and the result would have substantial benefits for all parties, not just Japan.

Building relationships of economic interdependence based on mutual benefit has been a foundation stone of Japan's Asian policy now for decades. Unlike the zero-sum logic of realist thinking, which focuses on the relative gains for the different countries, the absolute gains for all parties derived from economic interdependence help to provide a solid foundation for strategic stability and long-term cooperation among states in the region. Paradoxically, although the United States and Japan are obviously economic competitors in markets throughout the world, Japanese economic policy in East Asia, when understood in Okita Saburo's sense as security policy, serves to sustain and support the US hegemonic role.

Finally, Japan's decisions about its strategic relationship with the United States should be understood in the context of similar deliberations by the other five members of the original G-7 group of rich, capitalist countries (Canada, France, Germany, Italy and the United Kingdom) all of whom are also members of NATO. Among them, certainly France, Germany and the UK all have the material capabilities to stand apart from US hegemony, but none has chosen to do so. In addition to enjoying the largest economies in the world, France and the UK are also nuclear-weapons powers and permanent members of the United Nations Security Council. Yet, since the collapse of the Soviet Union ten years ago, none has acted to provide an alternative to US power.<sup>27</sup> In this regard, then, Japan is not an exception.

More than 55 years after the end of World War II, Japan's Occupation-imposed Constitution remains intact, importantly including the famous Article 9 in which 'the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes'. Japan remains enmeshed in the US hegemonic system. Despite growing domestic sentiment to amend the Constitution,<sup>28</sup> the nuclear option for Japan is extremely unlikely unless the security commitments made under the US-Japan treaty were somehow to lose credibility. Both Japan's exceptionalist self-image as pacifist nation and pressure from the United States combine to keep Japan within the nonproliferation regime. The stakes are the highest. All are aware that if Japan were to choose to build and to deploy nuclear weapons, it would very likely signal an end to the global nuclear nonproliferation regime.

## **CHINA: THE RISING POWER**

<sup>27</sup> This is particularly apparent in crisis situations (for example, Kosovo, the 1998 North Korean missile launch over Japan, and East Timor) when, in each situation, the other powers have deferred to the United States to manage the crisis, either by leading a direct intervention itself or by brokering a response as in the case of East Timor.

<sup>28</sup> G. D. Hook and G. McCormack, *Japan's contested constitution: Documents and analysis* (London: Routledge, 2001).

Following Mao Zedong's death in 1976, Deng Xiaoping struck what some might see as a Faustian bargain with the West. Deng proposed to save the socialist revolution in China by using capitalist methods. Faced with a citizenry traumatised by almost two decades of ideological extremism, Deng, as he emerged to preeminence in the post-Mao CCP leadership, began in 1978 to revitalise the country by implementing market reforms to force greater efficiency on China's command economy and to provide improved living standards to the Chinese people.<sup>29</sup>

Reversing Mao's economic strategy of self-reliance, Deng launched the 'open policy' with respect to the global capitalist system. Overturning Mao's socialist principles, the People's Republic of China would now welcome foreign investment, seek bilateral foreign aid from capitalist countries, and for the first time join the major international financial institutions like the World Bank and the International Monetary Fund. Deng's risky strategy was designed to achieve wealth and power for China and to sustain communist-party rule after the Maoist disasters of the Great Leap Forward and the Cultural Revolution. The obvious risk for the CCP leadership was that Deng's modernisation strategy might lead to a gradual erosion of the domestic foundations of Communist rule in China.

Building on the strategic accommodation negotiated between Mao and Richard Nixon in the early 1970s, Deng sought to establish a much deeper relationship with the United States. Formal diplomatic relations were established, access to the American market was facilitated through granting most-favoured-nation trading status to the PRC, and the United States agreed to accept what became tens of thousands of scientists and students for training in the United States. During the 1980s, the United

<sup>29</sup> The attempted justification in Marxist theory for this strategy of using capitalism to build the material foundations for socialist development is the so-called theory of 'the preliminary stage of socialism'. See Z. Y. Zhao, 'Advance along the road of socialism with Chinese characteristics: Report delivered at the 13<sup>th</sup> National Congress of the Communist Party of China', translated in *Beijing Review* 9–15 November 1987, pp. i–xxvii.

States in effect became China's patron in encouraging more and more substantial participation by the PRC in the global capitalist system.

Yet the two governments have cooperated with each other as a means to achieving quite different ends, like two lovers in bed dreaming different dreams.<sup>30</sup> Beijing cooperates with the United States as a way of obtaining what it most needs for its economic modernisation, assuming that PRC power is rising and US hegemony is in decline, while Washington seeks greater access to the potentially immense Chinese market, calculating that cooperation with China provides a way to meliorate Beijing's radicalism and an opportunity to democratise China.

Nonetheless, Chinese rankle in a dependent role. This is especially true of the Communist Party government, still claiming legitimacy on the basis of a discredited Marxist-Leninist ideology; however, any Chinese government would resist playing the role of a dependent power. Identification with the glories of China's Middle Kingdom past, especially as they contrast with the history of China's humiliation at the hands of Japan and the West during the nineteenth and early twentieth centuries, influences contemporary images of national identity.

Unlike much Western strategic thinking, Chinese analysts focus on assessing longer term strategic futures. They understand the current US predominance of power as 'hegemony', but argue that a multipolar structure will inevitably evolve out of the present global system in which US relative power will decline and Chinese power will increase. Deng Xiaoping's earlier injunctions still dominate China's strategic thinking about how to deal with US hegemony.

In his survey of Chinese strategic analysts, Michael Pillsbury describes their thinking this way:

The existence of a dangerous and predatory hegemon is the context of Deng Xiaoping's advice, which employs expressions from the *Warring States* and other ancient texts to guide future Chinese leaders on strategy. China must 'tao guang yang hui', which, literally translated, means 'Hide brightness,

<sup>30</sup> D. M. Lampton, *Same bed, different dreams: Managing US-China relations, 1989-2000* (Berkeley: University of California Press, 2001).

nourish obscurity', or, as the official Beijing interpretation translates the four-character idiom, 'Bide our time and build up our capabilities'. China at present is too poor and weak and must avoid being dragged into local wars, conflicts about spheres of influence, or struggles over natural resources. Deng's much-quoted advice also is to 'yield on small issues with the long term in mind'.<sup>31</sup>

Yet Chinese analysts differ with respect to their predictions about precisely when, in the future, China's 'comprehensive national power' is likely to overtake America's, and what the best tactics should be in the meantime. The hardliner, He Xin, for example, favours trying to build an anti-US united front among those powers most opposed to US hegemony, while the more moderate Yan Xuetong argues instead for patience and caution, building China's relative capabilities within the existing regime and avoiding confrontations that might prompt the US to attempt to contain China's rising power.<sup>32</sup>

China is rapidly modernising its modest military capability,<sup>33</sup> and its greatest strategic concern is a fear that the United States may in the future decide to stand in the way of China's rise to power. Given the United States' overwhelming capabilities, it is not surprising that the United States takes No. 1 position in perceptions of threat in Beijing. China's transition might take a variety of different directions. Demonising China, however, might indeed help to turn the PRC into the 'China threat' that conservative Republicans in the US insist already exists.<sup>34</sup>

<sup>31</sup> M. Pillsbury, *China debates the future security environment* (Washington, DC: National Defense University Press, 2000).

<sup>32</sup> Pillsbury, *China debates the future*.

<sup>33</sup> M. A. Stokes, *China's strategic modernization: Implications for the United States* (Carlisle, PA: Strategic Studies Institute, US Army War College, 1999), and A. Scobell, *Chinese army building in the era of Jiang Zemin* (Carlisle, PA: Strategic Studies Institute, US Army War College, 2000).

<sup>34</sup> Among the more alarmist assessments are B. Gertz, *The China threat: How the People's Republic targets America* (Washington, DC: Regnery, 2000), and E. Timperlake and W. C. Triplett, *Red dragon rising: Communist China's military threat to America* (Washington, DC: Regnery, 1999). A more measured analysis

The most obvious shortcoming in many Western assessments of the rise of Chinese power and its implications for the United States is a failure to analyse the domestic vulnerabilities of the CCP regime.

Chinese Communist Party rule in the world's most populous country is today an anachronism. Communism as a political philosophy is dead elsewhere, and the actions, if not the rhetoric, of the CCP acknowledge that it is also dead in China. The Party in the post-Mao period has built its claim to a monopoly of political power in China on championing China's nationalist credentials, maintaining domestic political and social stability, and continuously increasing the material standard of living of the Chinese people. If the CCP fails in achieving any of these three objectives, its power is at risk. Presumably, the traumatic events of 1989–1991 in the Soviet Union, and the more recent dethroning of President Suharto in Indonesia, cast long shadows into the nightmares of the residents of Zhongnanhai.

China is engaged in a traumatic process of transition. The hectic pace of change over the past 20 years has produced a range of serious challenges to CCP rule. Among the most difficult to resolve are: growing income inequality, which is likely to increase as a result of China's membership in the World Trade Organization;<sup>35</sup> the need to establish the rule of law in order to sustain continued economic modernisation, a legal system which would inevitably constrain CCP arbitrary power;<sup>36</sup> a growing AIDS epidemic; devastating environmental pollution; and political opposition (from the spiritual group Falun Gong, to activists attempting to

is R. Bernstein and R. H. Munro, *The coming conflict with China* (New York: Alfred A. Knopf, 1997). Gerald Segal, 'Does China matter?', *Foreign Affairs* 78(5) 1999, pp. 24–36, provides some appropriate balance. For the PRC's declaratory policy with respect to security issues, see People's Republic of China, Information Office of the State Council, 'China's national defense in 2000', *Beijing Review* 43(43) 23 October 2000.

<sup>35</sup> S. G. Wang, 'The social and political implications of China's WTO membership', *Journal of Contemporary China* 9(25) 2000.

<sup>36</sup> S. B. Lubman, *Bird in a cage: Legal reform in China after Mao* (Stanford: Stanford University Press, 1999).

establish democratic political parties, to workers determined to have their own, independent trade unions). At the top of this long list of domestic crises should be placed corruption, which is endemic throughout the system.<sup>37</sup>

Corruption has been the Achilles heel of Chinese regimes throughout history, both Confucian and Republican regimes. It was probably the single most important factor in the collapse of Chiang Kai-shek's Kuomintang government in 1949. Comparing corruption in the PRC today with the vulnerability of the Kuomintang, Pauline Keating notes that the Kuomintang never achieved the degree of political and social control over China that the CCP did, and as a result, corruption during the Nanjing Decade 1927–1937, the period of greatest KMT power on the mainland, was due in part to the central government's having to strike deals with regional power holders.<sup>38</sup> By comparison, CCP corruption today is more damning and more potentially destructive of the Party's political legitimacy because of the contrast with the unprecedented power that the CCP had once achieved during the Maoist period.

A key strategic implication from this analysis is that the Chinese regime today has no soft power in its relations with other countries, except for the rather thin claim to a continuing role as champion of the Third World.<sup>39</sup> On the contrary, a more accurate characterisation would be to

<sup>37</sup> He Qinglian has been one of the most outspoken PRC critics of official corruption in China. Q. L. He, *Xiandaihua de xianjing* [Pitfalls of modernisation] (Beijing: Today's China Publishers, 1998). See also David Shambaugh, ed., *Is China unstable? Assessing the factors* (Armonk, NY: M. E. Sharpe, 2000).

<sup>38</sup> Personal conversation with Pauline Keating, Canberra, December 2000. Regarding the role of corruption in the defeat of Kuomintang rule on the Chinese mainland, see L. Eastman, *Seeds of destruction: China under nationalist rule, 1927–1937* (Cambridge, Mass.: Harvard University Press, 1974), and J. Sheridan, *China in disintegration: The republican era in Chinese history, 1911–1949* (New York: Free Press, 1975).

<sup>39</sup> P. Van Ness, 'China as a Third World state: Foreign policy and official national identity', in L. Dittmer and S. S. Kim, eds, *China's quest for national identity* (Ithaca: Cornell University Press, 1993).

say that the CCP regime has ‘negative soft power’—i.e., no other countries in the region are attracted by their kind of political and social system. In democratic Taiwan, for example, it is what they most want to avoid.

When President George W. Bush presented his global strategic ‘vision’ in a speech to the National Defense University on 1 May 2001, he characterised America’s enemies as tyrants ‘gripped by an implacable hatred of the United States of America’. ‘They hate our friends’, argued the President. ‘They hate our values. They hate democracy and freedom, and individual liberty. Many care little for the lives of their own people’.<sup>40</sup> The President mentioned Saddam Hussein by name, but he left it unclear as to which other countries he had in mind. One could easily infer that he also meant China.<sup>41</sup>

Despite that and what has obviously been a much harder line on China taken by the Bush administration (for example, decisions regarding the EP-3 US Navy spy plane collision with a PRC fighter plane; new arms sales to Taiwan; Bush’s commitment of ‘whatever it takes’ to defend Taiwan against PRC use of force; visits by Taiwan President Chen Shui-bian to the US; and a general tilt away from China and toward Japan in the US defence posture), the official Chinese response has been to maintain the status quo. Chinese President Jiang Zemin responded in a major speech in Hong Kong to the ‘Fortune Global Forum 2001’ just a

<sup>40</sup> Press Release, Office of the Press Secretary, The White House, Washington, DC, 1 May 2001.

<sup>41</sup> Within the Bush administration, there seem to be differences on the issue of the ‘China threat’. Secretary of Defense Rumsfeld appears to be building his revised US defence posture around an assumption of China threat, while Secretary of State Powell and his subordinates have explicitly rejected such an assumption. J. Kelly, ‘United States policy in East Asia and the Pacific: Challenges and priorities’, testimony before the Subcommittee on East Asia and the Pacific and the House Committee on International Relations, 12 June 2001, <<http://usinfo.state.gov>>.

few days after Bush's hatred speech, emphasising instead international cooperation and reiterating the PRC's 'open policy'.<sup>42</sup>

But there are limits to how far President Jiang can go to sustain cooperation with the United States in the face of Bush administration animosity. Will Bush try to push the Chinese to the wall? Does the administration want to make China into America's 'new enemy' to help justify its plans for a military buildup? US decisions about missile defence will fundamentally re-shape the PRC's cost/benefit calculus and its understanding of China's role in the American hegemonic system.<sup>43</sup>

### **CHANGING THE RULES: MISSILE DEFENCE**

The National Missile Defense Act of 1999, passed by the US Congress and signed into law by President Bill Clinton, calls for the deployment of a missile defence system to protect US territory 'as soon as is technologically possible'. A range of different systems are under development: land-based, sea-based and space-based. There are lower-tier (within the atmosphere) systems and upper-tier (above the atmosphere) systems.<sup>44</sup> Most problematic with respect to their strategic implications are the upper-tier systems, which, for example, would make regional TMD systems dependent upon the US global, satellite-based monitoring capabilities. The stated reason for building and deploying these systems is to protect the United States, its allies, and US bases abroad from missile attack by so-called 'rogue states' or 'states of concern' (usually

<sup>42</sup> Z. M. Jiang, Speech to Fortune Global Forum, Beijing Xinhua Domestic Service in Chinese, 8 May 2001 (FBIS translated text – CPP20010508000238).

<sup>43</sup> For a thoughtful assessment of how China is likely to respond militarily to an actual deployment of an effective missile defence, see B. Li, 'The effects of NMD on Chinese strategy', *Jane's Intelligence Review* March 2001.

<sup>44</sup> For an assessment of how the current US missile defence proposals relate to the earlier Reagan administration 'strategic defense initiative' or SDI, see F. Fitzgerald, *Way out there in the blue: Reagan, Star Wars, and the end of the Cold War* (New York: Simon & Schuster, 2000).

identified as North Korea, Iran and Iraq) and either accidental or unauthorised launches of Russian or Chinese missiles.<sup>45</sup>

The US-proposed ballistic missile defences, both the TMD system for East Asia and the NMD for the US, provide good examples of how China and Japan react differently to what are, in effect, proposed rule-changes by the hegemon. Japan has agreed to joint research with the US on the TMD system planned for East Asia, while China has adamantly opposed both the TMD and the NMD systems, arguing that both systems would in different ways destabilise strategic relations in the region.<sup>46</sup> A major reason why Japan so far favours TMD is that, if such a system were to be put in place, Japan's participation would link Japan strategically even more tightly with the United States—helping to assure the Japanese that the present US role in East Asia will continue, especially at a time when North/South Korean steps toward reconciliation are raising questions about the need for 100,000 US military personnel in the region.<sup>47</sup> Yet even in Japan, there is evidence of an emerging debate about missile defence. *Asahi Shimbun* has recommended that Japan 'just say no' to US plans,<sup>48</sup> and Foreign Minister Tanaka Makiko in the Koizumi government is reported to have serious reservations about missile defence.<sup>49</sup>

<sup>45</sup> For the CIA's official assessment of the general threat to the US, see United States, Central Intelligence Agency, National Intelligence Council, *Foreign missile developments and the ballistic missile threat to the United States through 2015* (Washington, DC: National Intelligence Council, 1999).

<sup>46</sup> Q. Wang, 'TMD and US–China–Japan cooperation', a paper presented to the conference on 'East Asian regional security futures: Theater missile defense implications', organised by the Nautilus Institute and United Nations University, in Tokyo, 24–25 June 2000, <<http://www.nautilus.org/nukepolicy/TMD-Conference/wangpaper.txt>>, X. T. Yan, 'Theater missile defense and Northeast Asian security', *Nonproliferation Review* 6(3) 1999, and A. S. Ding, 'China's concerns about theater missile defense: A critique', *Nonproliferation Review* 6(4) 1999.

<sup>47</sup> Interviews at the National Institute for Defense Studies in Tokyo, April 2000.

<sup>48</sup> Editorial, *Asahi Shimbun* 10 May 2001.

<sup>49</sup> *International Herald Tribune* 2–3 June 2001, p. 4.

China, for its part, sees NMD as a threat to its modest nuclear deterrent, and TMD, especially the sea-based Navy theatre-wide option being researched jointly by the US and Japan, as potentially a direct intervention in what Beijing sees to be its internal affair of regaining control over Taiwan.<sup>50</sup> The International Institute for Strategic Studies (IISS) has noted that 'China's strategic capability is composed of less than 200 nuclear warheads, of which only perhaps 20–30 would be operational at any given time'. Russia still has the capacity to overwhelm any conceivable ballistic missile defence system, but for China, the deployment of an NMD would threaten its basic nuclear deterrent. The IISS concludes that if the US decides on deployment, a 'head-on collision with China will be difficult to avoid'.<sup>51</sup>

After the August 1998 North Korean Taepodong-1 missile shot that passed through Japanese airspace, Tokyo agreed to joint research with the United States on a TMD system that may, at some future time, also include South Korea and Taiwan. Chinese analysts have characterised the stated Japanese fears of North Korean missile attack as 'an excuse' for participating in a TMD project that is obviously aimed at China. Seen from Beijing, an East Asian TMD looks like a new multilateral security alliance against China.<sup>52</sup>

Beijing is concerned that a TMD in Northeast Asia would encourage Japanese remilitarisation and that a sea-based Navy theatre-wide system

<sup>50</sup> T. J. Christensen, 'Theater missile defense and Taiwan's security', *Orbis* 44(1) 2000. For an excellent summary of PRC concerns, see 'China's opposition to US missile defense programs', EANP Factsheets (Monterey, CA: Center for Nonproliferation Studies, Monterey Institute of International Studies, 2001), <<http://cns.miis.edu/cns/projects/eanp/pubs/chinamd.htm>>.

<sup>51</sup> International Institute for Strategic Studies, *The military balance 1999–2000* (London: Oxford University Press, 1999), p. 171, and International Institute for Strategic Studies, *Strategic survey 1998/99* (London: Oxford University Press, 1999), p. 50.

<sup>52</sup> Interviews in Beijing May 1999 and April 2001. For a broader perspective, see T. J. Christensen, 'China, the US–Japan alliance, and the security dilemma in East Asia', *International Security* 23(4) 1999.

for Japan might be used in the event of a conflict to help defend Taiwan. If Taiwan itself were to become a participant in an upper-tier TMD system, Taiwan would once again become linked strategically with the United States—perhaps even more closely than it was under the former 1954 United States–Republic of China military pact.<sup>53</sup>

For China, the American missile defence initiative constitutes a rule-change by the hegemon of the most serious sort. Without these rule-changes, however, it is unlikely that China under its present leadership would choose to opt out of the system.<sup>54</sup> The benefits for the PRC are simply too substantial. Moreover, it would be virtually impossible for China to sustain the high rates of economic growth that are so vital to maintaining CCP political legitimacy without access to the foreign markets, aid, private investment, and technology transfer that its participation in the global capitalist system has provided.

The administration of George W. Bush is committed to building missile defences, and favours a much more substantial system than the limited NMD earlier planned by the Clinton administration. Bush's appointment of Donald Rumsfeld as Secretary of Defense appears to insure that NMD will have a high priority for his administration. Rumsfeld, a strong supporter of missile defence, will face opposition not just from China, but also by Russia and many of the US European allies.<sup>55</sup>

<sup>53</sup> For more extended commentary on the official Japanese position, see National Institute for Defense Studies, *East Asian Strategic Review 2000* (Tokyo: NIDS, 2000), pp. 82–92.

<sup>54</sup> Note the commitments to further domestic market reforms and participation in the capitalist world economy in the report from a recent Chinese Communist Party Central Committee plenum: 'Proposal of the Central Committee of the Chinese Communist Party formulating the 10th five-year plan (2001–2005) for national economic and social development', Agence France-Presse, 11 October 2000.

<sup>55</sup> I. Ivanov, 'The missile defense madness', *Foreign Affairs* 79(5) 2000, and W. Drozdiak, 'European allies alarmed by US plans for a national missile shield', *International Herald Tribune* 8 November 1999.

The scepticism of the European allies, especially Germany and France, about missile defence is quite straightforward: they don't perceive the same threat as the US; they don't want NATO to become an alliance in which some states are protected by missile defense and others are not; they don't want to make an enemy of Russia; they don't want to spend more of their scarce resources on the military; they are not prepared to discard arms control or the nuclear nonproliferation regime; and they don't want to see a new polarisation of the world or new arms races.

Confronting opposition to missile defence, both abroad and at home, the Bush administration has attempted to intimidate opponents, and to insist that unilaterally it would press ahead no matter what. But after the defection of Senator James Jeffords from the President's Republican Party in May, which resulted in the loss of control of the US Senate to the Democratic opposition, conservative Republican intimidation has been blunted, and the opportunities for serious debate on missile defence in the United States have been substantially enhanced.<sup>56</sup>

## **CONCLUSION**

Big powers have always created a certain kind of order for the small powers within their reach; but following the collapse of the Soviet Union, the United States today dominates the globe and many regional geographical sub-systems in an unprecedented way, maintaining a hegemonic order that is in no way similar to the 'anarchy' assumed in realist analyses. Moreover, in today's world, there is as yet no viable alternative to participating in this US-dominated, globalised system.

Each state plays a different role in the system, determined principally by its capabilities (nuclear weapons or not, and relative economic power), the character of its domestic social system (democratic or not), and its

<sup>56</sup> S. M. Keeny Jr, 'Coup de grace', *Arms Control Today* 31(5) June 2001, <[http://www.armscontrol.org/act/2001\\_06/focjun01.asp](http://www.armscontrol.org/act/2001_06/focjun01.asp)>. As a result of the loss of control of the Senate to the Democrats, Carl Levin has become chair of the Senate Armed Services Committee and Joseph Biden has replaced Jesse Helms as chair of the Senate Foreign Relations Committee. Both of these Democratic senators are firm sceptics on issues relating to missile defence.

bilateral relationship with the hegemon. Thus, communist-ruled China, a nuclear-weapons state with a rapidly growing economy, enjoys substantially more autonomy within the US hegemonic system than does democratic Japan, dependent upon the US for its national defence under the US–Japan security treaty, despite its having the world’s second largest economy.

The global system today is not simply unipolar; it is a hegemonic system that is increasingly globalised, in which the basic concepts of realism (anarchy, self-help, and power balancing) provide little guidance or understanding in explaining state behaviour. In his classic *Man, the state, and war*, published almost fifty years ago, Waltz made a convincing case that structural or third-image analysis must be at least an essential component in any comprehensive explanation of international relations.<sup>57</sup> The question remains, however, what kind of structural analysis explains better?

The Gramscian concept of hegemony, in contrast with realism, links different levels of analysis (second image and third image), and helps us to understand the relationship between hard and soft power. It provides us with a means to relate domestic issues of political legitimacy and identity to international concerns about relative power and security. The concept of hegemony illuminates the dilemmas of dependency (the benefits as well as costs) and the immense difficulties for any major power of attempting to challenge the United States as an alternative ‘pole’.

In the sense of Thomas Kuhn’s paradigm challenger, hegemony as a way of understanding international relations explains the anomalies that realism cannot explain: most particularly, the failure of the other major powers, like China and Japan, to balance the United States. So if the leaders of the major powers no longer perceive a realist world of anarchy, choose not to balance the dominant world power, and instead opt increasingly for cooperative rather than self-help security strategies, then we must look elsewhere for explanations.

<sup>57</sup> K. Waltz, *Man, the state, and war: A theoretical analysis* (New York: Columbia University Press, 1959).

In Waltz's words, these are changes *of* the system rather than *in* the system.

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