

China and Major Power Relations in East Asia

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Tremendous changes have taken place in East Asia in the post-Cold War era, which have a great impact on Chinese foreign policy and its relations with major powers in East Asia. This new power configuration is related to as 'two ups' and 'two downs', which have become apparent since the early 1990s. The 'two ups' concern the rise of the United States and China. The United States' rise to sole superpower status has given Washington a dominant role in all four dimensions of world affairs: political, strategic, economic, and technological/cultural. Meanwhile, China has achieved a spectacular economic performance for the past two decades, sustaining high growth rates, and escaping, so far, the Asian economic crisis of 1997–98. This expansion has greatly increased China's influence in regional and global affairs. The 'two downs' refer to the downturns of Russia and Japan. This article provides a detailed analysis of China's international environment in the context of the changing dynamics of major-power relations in East Asia. Special attention is paid to the crucial Beijing–Tokyo–Washington triangle. The examination focuses upon political, economic, and strategic dimensions.

Chinese foreign policy and its relations with major powers in East Asia have been greatly affected by the reconfiguration of power relations in the region since the beginning of the post-Cold War era. Although not everybody agrees with Francis Fukuyama that the end of the Cold War in the late 1980s constituted 'the end of history',¹ the events—especially the collapse of the Soviet empire—were indeed a landmark in contemporary history in the twentieth century. Similarly, the end of the Cold War has greatly affected the configuration of major power relations in the Asian–Pacific region. The new global structure can be described, as some Chinese observers do, as *yi chao duo qiang*—meaning one single superpower faced with many strong powers—referring to the phenomenon that the United States has become the only, or as Samuel Huntington claimed, 'the lonely superpower',² vis-à-vis multiple powers including the European Union (EU), Russia, the People's Republic of China (PRC) and Japan. This new structure replaced the so-called

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1. Francis Fukuyama, *The End of History and the Last Man* (New York: Free Press, 1992).

2. Samuel P. Huntington, 'The lonely superpower', *Foreign Affairs* 78(2), (March/April 1999), pp. 35–49.

Beijing–Moscow–Washington ‘strategic triangle’ which prevailed in the 1970s and most of the 1980s.

China faces ‘two ups and two downs’ in East Asia

Tremendous changes have taken place in East Asia in the post-Cold War era, which have brought a new order to major-power relations in the region. I would like to refer to this reconfiguration as ‘two ups’ and ‘two downs’, which have become apparent since the early 1990s. The ‘two ups’ concern the rise of the United States and China. The United States’ rise to sole superpower status has given Washington a dominant role in all four dimensions of world affairs: political, strategic, economic, and technological/cultural. Meanwhile, China has achieved a spectacular economic performance over the past two decades, sustaining high growth rates (even with the slowdown from 11–12% to 7–8% in 1998 and 1999), and escaping the Asian economic crisis of 1997–98. This expansion has greatly increased China’s influence in regional and global affairs.

The ‘two downs’ refer to the cases of Russia and Japan. With the collapse and dismemberment of the former Soviet Union in the early 1990s, Russia experienced major setbacks in all respects, and it will have a long way to go to return to its previous status and influence in the region. The nature of Japan’s downturn is quite different as it is reflected in economic terms only, and is a result of consecutive economic recessions rather than the major financial crises that befell Korea and Southeast Asia.

Statistics demonstrate the dynamics of these ‘ups’ and ‘downs’. When we consider the most recent decade of available data on Gross Domestic Product (GDP) among the three countries, we will see that, whereas the US maintained steady growth, China’s lag behind both the US and Japan was significantly reduced while Japan’s gap with the US grew. To be more specific, in a comparison of GDP in 1989, China’s GDP is little more than 8% of the United States, while Japan’s is roughly equivalent to 55% of the United States’. However, 10 years later in 1999, China’s GDP has increased to 11% of the United States’ and 23% of Japan’s. At the same time, Japan’s GDP level relative to the US decreased from roughly 55% in 1989 to approximately 50% in 1999.³

Similar trends may be observed in comparison with total trade during roughly the same decade. China’s status vis-à-vis the US and Japan’s levels of total trade reduced from seven times and four times respectively in 1988 to five times and two times in 1998. At the same time, Japan’s total trade level relative to the US decreased from roughly 60% in 1988 to about 40% in 1998.⁴

Similarly, the United States maintained its position as the top recipient of Foreign Direct Investment (FDI) from the late 1980s to the late 1990s, helping fuel its current economic boom. The US experienced steady growth from \$58.6 billion of FDI in 1988 to \$70.8 billion in 1997. China and Japan, however, followed very

3. From the Economic Planning Agency (Japan, 1998), pp. 374–377; Economist Intelligence Unit, London, 4Q (1998, 1999).

4. From the *Yearbook of International Trade Statistics, Vol. II* (United Nations, 1997); Economist Intelligence Unit, London, 4Q (1998, 1999).

different paths during the decade. The two countries began at roughly the same level in 1988 at \$3.2 billion. By 10 years later, China was receiving \$45.3 billion in FDI, an increase of 15 times the original amount. In contrast, FDI in Japan only moved up to \$5.4 billion in 1997—far behind the United States and China.⁵ Here again, China and the United States clearly are experiencing an upward trend.

When we analyze this ‘two ups and two downs’ structure in the post-Cold War era, we have to bear in mind the following three points. First, China’s rising position primarily is reflective of positive general trends. However, when inspected more closely, the PRC’s situation is far more fragile. There are widespread domestic difficulties such as state-owned enterprise (SOE) reform, disparities between coastal and internal regions along with the problem of severe corruption, and many other problems that may not only slow down China’s development but also plunge it into internal chaos if Beijing loses control of the pace of change.

Second, everything is in relative terms. Despite Japan’s economic downturn, it remains the second-largest economy in the world, and many analysts have speculated that Japan already has undergone an unprecedented ‘economic revolution’ and will rise again.⁶ Of course, there are other observers who have a much bleaker view of the prospect for recovery of the Japanese economy.⁷

Furthermore, when we consider GDP per capita, China is far behind both Japan and the United States. Although China more than doubled its GDP per capita from 1988 to 1998, China’s \$773 yearly GDP per person in 1998 vis-à-vis \$29,900 in Japan and \$31,488 in the United States is a clear indicator that China still is a developing country in this sense.⁸

Third, Japan’s slowdown is reflected primarily in economic terms, unlike Russia’s total economic, political, strategic, and technological/cultural downturn which is due to the collapse of the former Soviet empire. Despite its consecutive economic recessions, Japan has managed thus far to escape the major financial crises that beset Korea and Southeast Asia in 1997–98. Furthermore, some indicators point to a possible recovery for the Japanese economy in the not-so-distant future.

Therefore, the picture of ‘ups’ and ‘downs’ is relative and is only a reflection of the past decade—the 1990s and early 2000. It is difficult to say at this point how long the current trends will continue, and each country definitely will experience a variety of upward and downward trends in terms of its own development over the decade to come; that is to say, countries currently on the rise may face a downward trend, whereas debilitated countries may move upward. Nevertheless, the two ‘ups’ and two ‘downs’ structure has affected enormously not only the regional strategic configurations but also Chinese foreign policy and its relations with major powers. These new developments have become a crucial factor in foreign policy calcula-

5. From the Economic Planning Agency (Japan, 1998), pp. 314 and 359; OECD, *International Direct Investment Statistics Yearbook 1997*, pp. 177 and 330; Economist Intelligence Unit, London, Q4 (1998).

6. M. Diana Helweg, ‘Japan: a rising sun?’, *Foreign Affairs* 79(4), (July/August 2000), pp. 26–39.

7. Aurelia George Mulgan, ‘Japan: a setting sun?’, *Foreign Affairs* 79(4), (July/August 2000), pp. 40–52.

8. From the Economic Planning Agency (Japan, 1998), pp. 378–381; Economist Intelligence Unit, London, 4Q (1998, 1999).

tions in Beijing as well as other major world capitals. The impact of this change can be analyzed with reference to economic, political, and strategic factors.

China's further integration into the world economic system

The increasing trend toward globalization and economic interdependence has further facilitated China's integration into the world economic system as demonstrated by China's drive to enter the World Trade Organization (WTO) and the United States' approval of Permanent Normal Trade Relations (PNTR) status with China, which has enormous implications for China's international trade. Let us look at China's economic interdependence with the top two world economies—namely, the United States and Japan.

In terms of top trading partners, each one of the three countries places the other two high on its list. Japan and the US (excluding Hong Kong) were the number one and two top trading partners of China, respectively, together accounting for 33.8% of China's total trade. Similarly, the US and China are Japan's top trading partners, in combination counting for 36.3% of its total trade in 1998. Meanwhile, the US conducts most of its trading activities with its NAFTA partners (number one, Canada, number three, Mexico, collectively totaling 31% of American trade) but Japan and China occupy a respective number two and number four position, together totaling 16.7% of the United States' trade.⁹ Also notable is the fact that, in the case of China, Hong Kong's trade with the US is not included in these statistics, which would increase the figures.

This extensive economic interdependency means that each bilateral relationship in the China–Japan–US triangle is considered to be of vital national interest to these countries. For example, the United States has long regarded the maintenance of the region's stability and prosperity as a top priority in its world strategy. As the two most powerful countries in the Asia–Pacific region, relations with China and Japan are critical to American regional and global interests.

In each country's foreign policy, China and Japan regard their relationship with each other as second in importance only to the United States. Understandably, Japan will not change the foundation of its foreign policy, which is based on its alliance with the United States (discussed below). On the other hand, Japan continuously has played a bridging role between China and the West. In 1990, for example, Japan was the first industrialized country to lift its economic sanctions imposed on China in the wake of the Tiananmen incident.¹⁰ Similarly, Japan was the first industrialized country to offer its approval, in July 1999, for China's entry into the World Trade Organization.¹¹ Obviously, Japan will continue to play a significant role in integrating China into the world economic system.

Additionally, Japan has a vital interest in China's development and stability

9. From the *Directions of Trade Statistics Yearbook* (IMF, 1998); 'Japan 2000: an international comparison', Keizai Koho Center, Japan Institute for Social and Economic Affairs, (15 December 1999), p. 60.

10. See Chapter 5 of Quansheng Zhao, *Japanese Policymaking: The Politics Behind Politics: Informal Mechanisms and the Making of China Policy* (Hong Kong and New York: Oxford University Press, 1993).

11. Susan V. Lawrence, 'Prickly pair: China and Japan remain civil—and deeply divided', *Far Eastern Economic Review*, (22 July 1999), p. 20.

because of its historical, cultural, and geopolitical proximity. It is a common belief that Japan's biggest nightmare would be a China devolving into internal chaos as such a situation would disrupt regional stability and prosperity enormously. Were this scenario to unfold, Japan would be one of the first countries affected. Therefore, it is in Japan's interest to continue its cooperative and stabilizing relationship with China, and in particular to continue its official development assistance (ODA) program to promote China's modernization effort and help with the PRC's incremental development toward a more open and democratic society.

As for China, much has changed over the decades in terms of its immediate foreign policy concerns. In order to understand the importance China currently attaches to economic modernization, we need to look at how the priorities of Chinese foreign policy were altered as its leadership changed over time. Under the leadership of Mao Zedong and Zhou Enlai, Beijing's major concern was China's strategic position within the Washington–Moscow–Beijing triangle. China's primary concerns with Japan and the United States at that time were how to counterbalance the threat from the former Soviet Union and address the issue of Taiwan—a point perceived as crucial to the legitimacy of the Beijing regime.

Meanwhile, the priorities of the Deng Xiaoping era were such that modernization became the major focus of Chinese foreign policy. Therefore, China came to view the United States and Japan, along with the European Union, as primary suppliers of capital markets and advanced technology. Therefore, economic cooperation with the United States and Japan became crucial to China. As a result, trade and investment between China and the other two countries increased rapidly and Japan became the largest donor of aid to China, in the form of ODA.¹²

Thus, economic interdependence among the three countries has developed rapidly during the last quarter of the twentieth century and will move well into the twenty-first century. Furthermore, the dynamics of technology transfers and personnel visits has raised the number and extent of mutual exchanges among the three countries to new levels.

Meanwhile, the United States' interest in China has its roots in the two countries' ambivalent historical relationship. Over time, the character of the US–China relationship has shifted starkly from missionary activities in the nineteenth century to the search for business opportunities in contemporary times. It has also involved a transition from being wartime allies in World War II to Cold War rivals in the 1950–80s, and then has moved to a 'strategic partnership', as confirmed by President Bill Clinton's 1998 visit to China. That is to say, China's attractions were its enormous population and rapidly modernized economy, which became virtually the last untapped market for American and Japanese business circles. Regardless of whether the dreams of profits are fulfilled or not, the fact that China has moved up quickly to become a top trading partner and a leading destination for foreign investment is a major factor in US foreign policy toward Beijing.

The powerful voices of the business community in delivering PNTR status to the

12. Zhao, *Japanese Policymaking*, p. 163.

PRC¹³ and paving its way toward the WTO, offer one more example of American economic interests in China. Furthermore, many people believe that China's economic modernization will help to create and enlarge an incipient middle class which will promote an enhanced civil society and democratization process in China. This mixed political–economic consideration became a foundation for the engagement policy advocated by the Clinton Administration, yet the concerns in strategic dimensions—namely the fear of the 'China threat'—as will be examined below, created significant opposition to this engagement policy, notably from the US Congress.

China's changing strategic concerns

China's strategic concerns have been greatly influenced by the new configuration of East Asian international relations in the post-Cold War era. With the decline of Russian influence in the region, China's concerns have been increasingly focused on the United States and Japan.

The momentum of China's rise has made Chinese foreign policy more assertive as well as more sensitive to the increasing nationalistic sentiment among the Chinese people. This new development has made the strategic calculations of major powers in the region more complicated. On the one hand, this change may be viewed as a natural move for any rising power. In this view, China can legitimately claim greater influence over international affairs as long as it does not jeopardize regional stability and prosperity. On the other hand, however, the rising nationalism in China's populace places more pressure on the current Beijing leadership to address sovereignty issues such as Taiwan and attempt to redress negative historical legacies such as the Japanese wartime invasion.

In regard to its relationships with Washington and Tokyo, a central locus of concern for Beijing is the issue of Taiwan. Indeed, Beijing regards the United States as a major obstacle to its goal of reunification with Taiwan. This issue can be traced back historically to the Chinese Civil War period (1946–49) when the US supported the Chiang Kai-shek regime, and, when at the cessation of the Korean War in the early 1950s, the US signed an official Mutual Defense Treaty with Taiwan which effectively prevented the PRC from taking over the island. In the late 1960s and early 1970s, both Beijing and Washington were willing to normalize their relations primarily out of concern about the threat from the Soviet Union. Richard Nixon's visit to China in 1972—preceded by Henry Kissinger's visit to Beijing in 1971—was the historical moment which spotlighted the two countries' rapprochement. It took 7 years before the PRC and the United States completed their normalization process in 1979.

However, while Washington has recognized Beijing officially and ceased its official relations with Taipei, there are two issues which Beijing still views as unwarranted 'intervention in internal affairs'. The first issue is that the United

13. First, the PNTR vote passed in the US House of Representatives by 237–197; see Michael Hirsh, 'The long march begins', *Newsweek*, (5 June 2000), p. 29. Then, PNTR for China eventually passed the US Senate with a vote of 83–15; see 'Regional briefing', *Far Eastern Economic Review*, (28 September 2000), p. 12.

States continues to sell arms to Taiwan despite the 17 August Shanghai Communiqué of 1982 which stipulates that the United States should reduce its arms sales to Taiwan both quantitatively and qualitatively. The other issue relates to the Taiwan Relations Act—passed by the US Congress in 1979—which, in addition to restricting the United States to non-official economic and cultural relations with Taiwan, required American commitment to peaceful settlement of the Taiwan Strait conflict. Both actions, from Beijing’s perspective, represent continued intervention in China’s internal affairs, and will continue to affect Sino–American relations well into the twenty-first century.

Beijing’s perception of the US’ interference may have been enhanced by the February 2000 vote in the US House of Representatives that passed the Taiwan Security Enhancement Act by the vote of 341–70.¹⁴ China’s deep concern is that America’s arming of Taiwan may, in fact, prolong Taiwan’s separate status, thereby promoting its eventual independence. Given that fear, and with the approach of the March 2000 presidential election in Taiwan, the State Council of the PRC issued a Taiwan White Paper in February of 2000 which states:

[I]f a grave turn of events occurs leading to the separation of Taiwan from China in any name, or if Taiwan is invaded and occupied by foreign countries, or if the Taiwan authorities refuse, sine die, the peaceful settlement of cross-Straits reunification through negotiations, then the Chinese Government will only be forced to adopt all drastic measures possible, including the use of force, to safeguard China’s sovereignty and territorial integrity and fulfill the great cause of reunification.¹⁵

This passage indicates clearly that one more situation has been added which would prompt the PRC to use military force against Taiwan—that is, if Taiwan indefinitely delays negotiations with the mainland.¹⁶ Also, it is important to note that this statement was designed to influence the impending presidential election in Taiwan a month later.

China’s white paper immediately met with criticism in the international community. This new development in Taiwan and cross-strait relations has made Taiwan once again a thorn in US–China relations. However, it should be noted that some efforts have been made by the United States to reassure Beijing, such as the high-level visits before and after the Taiwan presidential elections by President Clinton’s national security advisor Sandy Berger, US ambassador to the United Nations, Richard Holbrooke, Secretary of Commerce William Daley, and Secretary of Agriculture Dan Glickman, as well as a private meeting of US ambassador to China Joseph Prueher with China’s senior foreign-policy official, Vice-Premier Qian Qichen.¹⁷

14. Robert G. Kaiser and Steven Mufson, ‘“Blue team” draws a hard line on Beijing: action on Hill reflects informal group’s clout’, *Washington Post*, (22 February 2000), p. A1; Thomas Legislative Information webpage, <http://thomas.loc.gov/cgi-bin/bdquery/z?d106:h.r.01838>.

15. Part V of ‘Guidelines for US–Japan defense cooperation’, US–Japan Security Consultative Committee release, (23 September 1997). See <http://www.arc.org.tw/USIA/www.usia.gov/regional/ea/easec/sccguide.htm>.

16. ‘The one-China principle and the Taiwan issue’, *Renmin Ribao* [*People’s Daily*], (22 February 2000), p. 1. Previously, the conditions for China’s intervention were the declaration of Taiwan’s independence or foreign power occupation.

17. Susan V. Lawrence, ‘Chinese checkers’, *Far Eastern Economic Review*, (13 April 2000), p. 17.

Despite such measures, Beijing's fears were fanned by the defeat of the moderately pro-unification Kuomintang (KMT) party in the March 2000 Taiwanese elections.¹⁸ During the campaign, the successful Democratic Progressive Party (DPP) candidate Chen Shui-bian initially made statements that he disagreed with the stance of working toward the unification of Taiwan with China into 'one country, two systems'.¹⁹ Although President Chen Shui-bian made some conciliatory statements toward Beijing after the election,²⁰ there was no obvious progress in cross-strait relations. Furthermore, by the later part of the year, he was already facing political turmoil due to the stock market plunge and the resignation of Prime Minister Tang Fei, who was an acceptable figure not only to the opposition party, KMT, but also, in a way, to Beijing.²¹

Meanwhile, the issue of Taiwan has remained a problem also between China and Japan, which is a 'loyal follower' of the United States in international affairs. Beijing's main concern is the new security guidelines specified for the US–Japan Security Treaty in 1997.²² Specifically, China's concern is over Part V of the 'Guidelines for US–Japan defense cooperation' as to whether 'surrounding areas' are meant to include Taiwan itself. Although the document specifically indicates that this term is not a geographical but a situational term, conflicting statements have been made by a variety of Japanese government officials, such as the announcement made by then-Chief Cabinet Secretary Kajiyama Seiroku in August 1997, that the guidelines indeed are considered to include Taiwan.²³

A tendency in Japanese foreign policy is to follow closely behind the steps of the United States. The Taiwan issue is no exception. Whenever asked about the inclusion of Taiwan, the typical informal answer from the Ministry of Foreign Affairs is that since this topic refers to joint guidelines, Washington will have to be asked for clarification—a move allegedly initiated by Washington. This kind of statement understandably alarms the PRC, and Beijing has insisted upon clarification from the Japanese government.

18. Julian Baum with Dan Biers, 'When a giant falls', *Far Eastern Economic Review*, (6 April 2000), p. 18.

19. 'Editorial: Taiwan blows raspberries at Beijing: who's afraid of the mainland?', *Far Eastern Economic Review*, (6 April 2000), p. 58.

20. Julian Baum and Dan Biers with Susan V. Lawrence, 'Chen's chance', *Far Eastern Economic Review*, (30 March 2000), pp. 18–20.

21. John Pomfret, 'Taiwanese leader voices confidence in face of turmoil', *The Washington Post*, (5 October 2000), p. A22.

22. See Part V of 'Guidelines for US–Japan defense cooperation' as follows:

V. Cooperation in Situations in Areas Surrounding Japan that Will Have an Important Influence on Japan's Peace and Security

Situations in areas surrounding Japan will have an important influence on Japan's peace and security. The concept, situations in areas surrounding Japan, is not geographic but situational. The two Governments will make every effort, including diplomatic efforts, to prevent such situations from occurring. When the two Governments reach a common assessment of the state of each situation, they will effectively coordinate their activities. In responding to such situations, measures taken may differ depending on circumstances. . . .

When a situation in areas surrounding Japan is anticipated, the two Governments will intensify information and intelligence sharing and policy consultations, including efforts to reach a common assessment of the situation.

23. *Yomiuri Shimbun*, (18 August 1998), as quoted in Zhong Yan, 'Xin ri-mei fangwei hezuo zhizhen ji xiangguan lifang pingxi' ['An analysis of the new "Guideline for Japan–US defense cooperation" and its related legislation'], *Riben Xuekan [Japanese Studies]*, No. 2, (2000), pp. 1–12.

One other example of Japan's following America's lead is related to the controversial visit of Taiwanese President Lee Teng-hui to the United States in 1995 for the stated purpose of attending an alumni reunion at Cornell University. Similarly, there were extensive deliberations or preparations for Lee Teng-hui to visit Japan, also under the guise of attending an alumni event, since Lee also attended Kyoto University as an undergraduate. This plan never went too far, since Beijing immediately gave a stern warning against such an action, but speculation has continued that Lee Teng-hui may still have the opportunity to visit Japan now that he has stepped down from the Taiwanese presidency.

There are other problems between China and Japan, especially a territorial dispute over a chain of islands between Taiwan and Okinawa, called *Diaoyu* in Chinese and *Senkaku* in Japanese,²⁴ as well as the potential resurgence of Japanese militarism, memories of which stem from past Japanese aggression.²⁵ The US factor has always been a top consideration for any new direction in Japan's China policy, which was vividly demonstrated in the process of Sino-Japanese rapprochement in 1972. The US also played a significant role in the *Diaoyu/Senkaku* territorial disputes between China and Japan, at least at the initial stages. Even the current US position regarding this dispute remains ambiguously neutral. The historical fact is that when the US returned Okinawa to Japan in 1971, the *Diaoyu/Senkaku* islands were included in the package.²⁶ There has long been speculation about the possibility of US involvement in the event of a military clash between China and Japan over these disputed islands. Furthermore, Tokyo's emphasis on the human rights issue in its China policy in recent years can also be seen as influenced by Washington.

Despite many discussions about the rising power of China and the potential threat to regional international affairs, the majority of China-observers abroad have had the sober view that, in terms of military and strategic capacity, China is far from presenting a formidable force. Andrew Nathan and Robert Ross even call China's defense capacity merely 'an empty fortress', citing one of the master strategists, Zhuge Liang, during the Three Kingdoms period almost 2,000 years ago in describing a strategy designed to promote the enemy's misperception of your strength and avoidance of military entanglement when you actually are weak.²⁷

This line of thinking may well reflect reality. If we use Chinese-provided statistical figures in terms of comparative levels of defense spending, China is far behind other major powers. The United States spends more than 27 times the amount of China and six times the investment of Japan in military spending. One may, however, be aware that the Chinese figures are not necessarily as reliable as Western numbers due to a variety of reasons. Nevertheless, even with figures inflated two or three times the official Chinese numbers, as many foreign observers

24. Suisheng Zhao, 'China's periphery policy and its Asian neighbors', *Security Dialogue* 30(3), (September 1999), p. 340.

25. Thomas J. Christensen, 'Chinese realpolitik', *Foreign Affairs* 75(5), (September/October 1996), p. 40.

26. For an excellent and detailed discussion on the US role in the *Diaoyu/Senkaku* dispute, see Jean-Marc Blanchard, 'The US role in the Sino-Japanese dispute over the Diaoyu (Senkaku) Islands, 1945-1971', *The China Quarterly*, No. 161, (March 2000), pp. 95-123.

27. Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security* (New York: W.W. Norton, 1997), p. 25.

suggest, Chinese military spending still is significantly lower than American and Japanese levels. For example, for the past several decades, China's defense expenditure as a percentage of its GDP actually has been in decline from 4.63% in 1978 to about 2% in 1986, and reduced further to 1.09% in 1997.²⁸

China also has closely watched any significant developments in the relationship between the United States and Japan. In general, both the US and Japan view their alliance as the central point of their Asian policies. This position has been a clear landmark since 1945, the beginning of the American occupation of Japan, which was further confirmed in 1952 when the US–Japan Security Treaty was signed.

According to a recent book entitled *Alliance Adrift*, written by well-known Japanese journalist Yoichi Funabashi, although US–Japan relations have broadened and deepened, 'the intellectual and political underpinnings of the bilateral relationship are, in fact, frail'.²⁹ While the two countries maintain close ties, each side worries frequently about the other country getting too close to Beijing. When President Clinton visited Beijing in 1998, he did not even make a stop in Japan, leading some Japanese observers to worry that the United States had shifted from negative 'Japan bashing' to indifferent 'Japan passing'—considering it not worth the same attention as its troubled relationship with China. By the same token, the American leadership frequently expresses concerns that China's growing power may force Japan to become 'neutralized'—thereby moving away from the US–Japan alliance, a cornerstone of American foreign policy in Asia.

Beijing's strategic concerns in East Asia are also closely related to other significant players, such as Russia and the two Koreas. Even though Russia has been in a downturn ever since the collapse of the Soviet empire in 1990, its influence still remains prominent in Asian–Pacific international relations. Beijing has worked very hard to bring Moscow to its side. At the same time, Russia is also eager to secure China's support, as it has its own grudges, namely, the eastern expansion of NATO, the bombing of Kosovo, and the situation in Chechnya. Under these circumstances, with the two powers moving toward closer ties in political, economic and strategic dimensions, the most alarming development is Russia's willingness to help China modernize its military forces. In October 1999, for example, the two countries' defense ministries signed an agreement to conduct joint training and to share information on the formation of military doctrine. There were as many as 2,000 Russian technicians who were employed by Chinese military research institutes working on advanced defense systems, such as laser technology, cruise missiles, nuclear submarines and space-based weaponry. In early 2000, China purchased two Russian-built destroyers worth \$800 million each. The first destroyer has already been deployed and sailed through the Taiwan Strait in

28. From the text of State Council, Information Office, 'White paper on China's national defense' (taken from SWB, FE/3291), originally printed by Xinhua News Agency, Beijing, in English 0339 gmt (27 July 1998), quoted in 'Quarterly chronicle and documentation (July–September 1998)', *The China Quarterly*, No. 156, (December 1998), pp. 1115–1117.

29. Yoichi Funabashi, quoted in Richard Halloran, 'Awakening the giant', *Far Eastern Economic Review*, (24 February 2000), p. 35.

February 2000, en route to a Chinese naval base.³⁰ This development has certainly raised concerns in Washington and elsewhere.

Japan's concerns about the former Soviet Union during the Cold War era have greatly declined, and its attention has shifted toward China's potential military power and the Korean peninsula. With the generational change in Japan, younger politicians and foreign policy bureaucrats alike may feel less pressured by a sense of guilt surrounding its aggression toward China and the rest of Asia. At the same time Japanese nationalism has also been on the rise.³¹ Although there is still a lack of proper recognition of its wartime behavior, Japan's nationalistic sentiment today is much different from that of World War II. This change primarily reflects Japan's pride in its achievements in the postwar period and its desire to play a greater role in the international community.

The Korean peninsula may well be considered a good example of overlapping interests of all related powers. In many respects, China holds a key to the security interests of the US and Japan in the Korean Peninsula, which is a core issue of northeast Asian security configurations.

Indeed, China's positive contributions to peace and stability in the region can be demonstrated by China's role in the four-party talks on the Korean peninsula. In 1995, South Korea suggested a four-power peace conference that included the United States, China, and the two Koreas for the purpose of working out a new peace agreement to replace the armistice and thereby bring a formal end to the decades-long Korean War. Initially, Pyongyang did not want Chinese participation.³² After prolonged negotiations with the United States and South Korea in New York in July 1997, North Korea finally agreed to hold the four-power conference. The first preparatory talk was held in New York on 5 August 1997.³³ After several on-again, off-again negotiations among the four parties, the talks broke down once again on 19 September 1997, without even an agreed-upon agenda for further conferences to be held in Geneva.³⁴ A major previous obstacle was that the North Koreans insisted that conference participants agree in advance to discuss the removal of the 37,000 American troops stationed in South Korea.³⁵

Japan and Russia were not included in the Korean four-party talks. Nevertheless, both countries would like to play an active role in any deliberations. In July 1997, Russian Foreign Minister Yevgeny Primakov visited Seoul and made a joint statement with South Korea on peninsula issues. The Russian side proposed that it host an international conference on the Korea issue parallel to the four-way talks.³⁶ A month later, Japan also resumed its negotiations with North Korea over the normalization of diplomatic relations. Although the four-party talks have not thus far produced concrete results, as proved by the most recent round of meetings in

30. John Pomfret, 'Russians help China modernize its arsenal: new military ties raise US concerns', *Washington Post*, (10 February 2000), pp. A17-A18.

31. Chester Dawson, 'Flying the flag', *Far Eastern Economic Review*, (12 August 1999), pp. 18-19.

32. Selig Harrison, 'Promoting a soft landing in Korea', *Foreign Policy*, No. 106, (Spring 1997).

33. 'Pyongyang accepts framework for peace talks', *Straits Times*, (2 July 1997), p. 21.

34. Steven Myers, 'N. Korea's talks with US fail over demand for GI pullout', *New York Times*, (20 September 1997).

35. Robert Reid, 'Korean peace talks break down', *Associated Press*, (20 September 1997).

36. 'South Korea, Russia issue joint statement on peninsula issues', *Korea Herald*, (25 July 1997).

Geneva in the summer of 1999,³⁷ China's constructive role has been widely recognized.

In some areas, Beijing's strategic concerns in the region are different from other powers, such as Washington and Tokyo. Due to widespread concerns over past and future North Korean missile tests, there has been a significant change of mood among the Japanese people which has led to the parliamentary approval in 1999 of revisions to the US–Japanese Security Treaty. Among several steps that Tokyo has adopted, the most noticeable development is Tokyo's announcement that it will participate in the development of a ballistic missile defense system with the United States, known as Theater Missile Defense (TMD). Although the tension in the Korean Peninsula has appeared to be significantly reduced due to the Kim Dae Jung–Kim Jong Il summit in June 2000 and subsequent positive talks between American President Bill Clinton and North Korean Vice Chairman of the National Defense Commission Jo Myong Rok,³⁸ the TMD plan is still ongoing. This development has alarmed Beijing, which fears not only a new US–Japan alliance to contain China but also this alliance's potential involvement in any future Taiwan Straits military crisis should Taiwan 'officially' announce its independence.³⁹ Let us now look at these issues from a political perspective.

China's political dilemma

When one examines Chinese foreign policy in the political dimension, it is not difficult to detect that there are many differences between China and other powers such as the United States and Japan. As a matter of fact, the often-discussed 'China–Japan–US triangle' is not an equidistant one. Obviously, Tokyo and Washington have a much closer relationship than either of them has with China. In light of the US–Japan military alliance and the new TMD initiative, as discussed above, it has been speculated that this triangle actually represents a 'two against one' framework; that is, in most occasions, if not all, the United States allies itself with Japan—most notably in the political and strategic dimensions.

The relationship between China and Japan has had its ups and downs since 1972, when the two countries normalized relations, but for most of the 1990s, their relationship has been deteriorating and this trend has cast a shadow over regional and global affairs in the post-Cold War era. In light of this, the two sides have worked hard to reverse the downward slide, as exemplified by the recent visits of the heads of state, namely Chinese President Jiang Zemin's trip to Japan in November 1998, and then-Japanese Prime Minister Keizo Obuchi's visit to China in July 1999.⁴⁰ Despite some positive results achieved from these visits, they have also highlighted the difficulties each side faces in handling this relationship.

37. Shin Yong-bae, 'Sixth round of four-way peace talks ends with little progress', *Korea Herald*, (10 August 1999), from http://www.koreaherald.co.kr/cgi-bin/searched_word.asp?qstr=fourpartytalks&path=/news/1999/08/_02/19990810_0208.htm.

38. Ellen Nakashima, 'Clinton meets senior officer of North Korea', *The Washington Post*, (11 October 2000), p. A18.

39. Frank Ching, 'A tale of two state visits', *Far Eastern Economic Review*, (20 May 1999), p. 36.

40. Lawrence, 'Prickly pair', p. 20.

The decline in Sino–Japanese relations began in the late 1980s. It was accelerated by the downfall of Chinese Communist Party Secretary General Hu Yaobang in 1987. Hu’s removal was due largely to Beijing’s domestic politics, but additional factors in his removal were criticisms that he was too ‘soft’ toward Japan and too personal in dealing with Japanese leaders.⁴¹ This decline was compounded by the Tiananmen incident in 1989, when Japan followed the Western lead and imposed economic sanctions on China.

Unfortunately, there is a lack of true mutual understanding between the two countries. Although state visits occur virtually every year, there is a lack of in-depth discussion and multi-layered exchange. Neither country has a clear understanding of the nature of the other’s domestic politics and foreign policy direction. Beijing may ask such questions as, has Japan moved irreversibly down the path of a peaceful and democratic nation or might it still revert to militarism? By the same token, Tokyo’s image of China also varies between that of a friendly and economically promising country, and that of a military threat.

China’s policy toward Japan in the post-Deng era has primarily followed the previous lines of Mao and Deng, but some changes in policy priorities have become evident. While Taiwan and economic cooperation remain central aspects of Sino–Japanese relations, Chinese pressure on Japan to address the historical legacy of its wartime behavior and its potential for a return to militarism has also been strengthened. Sometimes it appears that wartime history has become a leading factor in China’s Japan policy.

What both countries need to do to improve their ties with each other is to conduct thorough studies of the contemporary history of the other country to gain greater insight into the nature of its politics and society. Tokyo must continue to learn lessons from its past wartime behavior since there will always be a small circle in Japan that ignores or denies its historical experience. At the same time, China should recognize that the overwhelming majority of the Japanese people do not want to repeat the mistakes of the past and that Japan has become a democratic society striving to cultivate a peaceful environment in the Asia–Pacific region. To ensure long-lasting and peaceful cooperation between the two countries, Beijing needs to educate and utilize more Japan specialists in formulating its policy toward Tokyo. Promoting mutual understanding should be a central position in bilateral exchanges, and educational exchanges should be further expanded and institutionalized. One such suggestion is to establish a new comprehensive and internationally oriented university in China, jointly developed by China and Japan with substantial financial and academic support from Japan. This university should be first-rate—comparable to Beijing and Qinghua universities, the two leading higher education institutions in China. An important function of this university would be to enhance China’s understanding of international affairs with a special emphasis on Japan. In addition, each side could also send a certain number of university professors annually to conduct lectures on aspects of the social, political, economic, and legal environments of their own country.

41. For further discussion, see Quansheng Zhao, *Interpreting Chinese Foreign Policy: The Macro–Micro Linkage Approach* (Hong Kong and New York: Oxford University Press, 1996), p. 192.

Furthermore, it is necessary for both Beijing and Tokyo to pay closer attention to its public relations abroad and to carefully cultivate a friendly feeling among the other country's people. In doing so these two countries should focus on multi-dimensional and multi-layered exchanges with each other. Since China and Japan have had such a long historical relationship and share many common cultural and historical legacies, the conduct of bilateral relations between the two countries could be more innovative and imaginative. Exchanges in political, economic, and intellectual circles could take place not only in the current, formal format but also more informally, focusing on building personal as well as institutional relationships. For example, the annual summit meetings between national leaders should be institutionalized and also may include 3 or 4 days vacationing together in resort areas such as China's Beidaihe Beach on the Bohai Sea (next to the Pacific Ocean) and Japan's Hakone resort at the foot of Mount Fuji. Furthermore, bilateral exchanges should be expanded to include more people-to-people contacts in order to win the hearts of the people on the other side.

In the political dimension, a prominent problem between China and the US is a difference of opinion and policy regarding human rights-related issues, and Japan, in general, sides with Washington in this regard. The issue of human rights has increasingly become a top priority of American foreign policy toward China. The priority of Chinese foreign policy, however, has moved from 'revolution' under Mao to 'modernization' under Deng. In other words, since 1978, the central theme of Chinese foreign policy has been modernization, namely economic development. In many ways, political considerations such as revolution or socialism have become much less prominent.⁴² With these two opposite directions of foreign policy priorities, it is inevitable that there have been and will continue to be confrontations between China and the United States around the issues of democratization and human rights.

Another important background development regarding the human rights issue is the changing international environment. With the end of the Cold War in the late 1980s, US foreign policy has shifted away from containing communism and there has been increasing attention to the differences between civilizations and cultures. A primary advocate of this consideration is Samuel Huntington's *Clash of Civilizations*. Huntington argues that future conflicts in the international community will be largely derived from the confrontation of Western and non-Western civilizations. He has further singled out Confucianism and Islam as two key components of non-Western civilization.⁴³ Being controversial itself, this notion of the 'clash of civilizations' has become a prominent factor among some academics and practitioners in their study of contemporary international relations. This emphasis on Western/non-Western differences has become a source of conflict regarding the process of China's democratization and its human rights record.

When we look at the human rights issue in this triangular relationship, it is clear that America's China policy combines a variety of factors: strategic considerations,

42. For a detailed analysis of the changing priority of Chinese foreign policy, see Chapter 3 of Zhao, *Interpreting Chinese Foreign Policy*.

43. Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon & Schuster, 1996), p. 20.

economic interests, as well as ideological elements such as human rights issues. In a pluralistic society such as the United States, there are a range of priorities regarding foreign policy within different sections of the society. Influential figures within the US Congress, human rights, religious, and other non-governmental organizations (NGOs) tend to put human rights as a top priority, whereas the White House and State Department have to calculate United States foreign policy primarily from the perspective of national interest, such as security concerns and economic interest.

Two important developments in the 1990s may push Washington's China policy further toward strategic and economic considerations as a top priority rather than human rights considerations. First, the so-called 'big power' system was firmly established in the Asia-Pacific Region after the two summit meetings between China and the United States: Jiang Zemin's visit to Washington in October 1997, and Bill Clinton's China visit in June-July of 1998. The issue of nuclear development in North Korea, the economic crisis in Southeast Asia, the increasing tensions between India and Pakistan caused by the recent nuclear tests, and the explosive and uncertain issue of Taiwan require close cooperation and effective coordination between the two major powers, China and the US. The United States, therefore, does not have the luxury of making human rights the top priority most of the time.

Second, as mentioned earlier, China has undertaken fundamental economic reforms that have significantly shifted its social and political system toward a more pluralistic one. Recent reports indicate that while still maintaining its authoritarian rule, the Chinese Communist party has started to allow more extensive debates on political issues and to tolerate activities of certain dissident groups.⁴⁴ Furthermore, China has gradually learned how to deal with external pressure on human rights issues, and Beijing appears to be more accommodating toward outside demands. A sign of China's willingness to engage in dialogues over such delicate matters is that Beijing allowed, in September 1998, the visit of Mary Robinson, the chief of the UN Commission on Human Rights. This was the first such visit from a leading human rights official. Beijing's continued accommodation may reduce pressures from the outside world.⁴⁵

All of these developments, however, do not necessarily mean that the US will take a significantly lighter approach to human rights issues in its future relations with China. Domestic pressures from interest groups and lawmakers will remain a powerful force within the United States. One can expect Washington to continue to raise the human rights issue with Beijing.⁴⁶ It is important to note that China's human rights policy has always followed an up-and-down mode, namely, an alternation between the periodic tightening and loosening of social controls. Needless to say, if there are major backward developments in Beijing, such as what happened in Tiananmen Square in 1989, there will be another major campaign from

44. Rena Miller, 'Taking liberties: Beijing turns a blind eye to small-scale protests', *Far Eastern Economic Review*, (10 September 1998), pp. 32-33.

45. John Pomfret, 'Reform hot topic of group in Beijing', *Washington Post*, (13 September 1998), pp. A37-38.

46. Murray Hiebert and Susan V. Lawrence, 'Trade tightrope', *Far Eastern Economic Review*, (24 February 2000), p. 22.

the United States to put pressure on China regarding human rights issues. One may, nevertheless, also speculate that this is an unlikely development in the near future for US–China relations.

There are various characteristics in China's response to US promotion of human rights and democracy. China has insisted upon its own sovereignty power regarding human rights, and it has resisted external interference, including US demands for democracy. China defends its position on human rights and has criticized US pressure by invoking sovereignty rights protected by the UN Charter, particularly 'The Declaration on the Inadmissibility of Intervention and Interference in the Internal Affairs of States'.⁴⁷ China argues that the UN Charter extends sovereignty to include human rights issues by citing provisions such as 'Every state has an inalienable right to choose its political, economic, social and cultural systems, without interference in any form by another state'.⁴⁸ The protection of human rights only becomes an international issue when a state violates treaties it has signed, commits 'large scale, gross' violations or endangers the peace and security of neighboring countries.⁴⁹ In the absence of these conditions, human rights are internal matters, according to China.

On the other hand, China has been willing to make concessions under certain circumstances. It should be noted, however, that these concessions have been made despite continued human rights violations. Partial concessions have been timed to coincide with levels of the external pressure, the priority of human rights in the US' China policy and debate on China's human rights conditions in the US and internationally. These concessions, nevertheless, do not represent uniform changes in China's political system and have been made alongside continued arrests of dissidents.⁵⁰ Ultimately, the issues of democracy and human rights are still regarded as internal matters. Concessions and regressions coincide with each other and are employed strategically to influence debate between China's supporters and critics, undermine the overall efficacy of external pressure and maintain Beijing's ability to set its own human rights agenda. However, as China further integrates into world economy and international affairs, China's internal behavior norms, including the human-rights issue, will inevitably be affected by external influences.

In sum, China may, in fact, be more alarmed by the possible 'two against one' dynamic in its relations with the United States and Japan, particularly when facing a perceived 'encirclement' led by these two powerful actors. This sense of encirclement may also occasionally be reinforced by the actions of such regional players as India and Vietnam.⁵¹ Thus, both the United States and Japan should recognize that China's fear of being 'ganged up upon' by the other two is not without reason, and they should be more sensitive regarding this concern.

47. 'A report which distorts facts and confuses right and wrong—on the part about China in the 1994 "Human Rights Report" issued by the US State Department', *Beijing Review*, (13 March 1995), p. 21.

48. *Ibid.*

49. Andrew J. Nathan, 'Human rights in Chinese foreign policy', *The China Quarterly*, No. 151, (September 1997), p. 629.

50. *Ibid.*, pp. 641–642.

51. Nayan Chanda, 'After the bomb', *Far Eastern Economic Review*, (13 April 2000), p. 20.

Prospects for China's major power relations in East Asia

To learn future directions of Chinese foreign policy and its relations with major powers in East Asia, one may benefit from examining Beijing's perspective toward other powers such as the United States and Japan. For example, the development of Chinese foreign policy toward Japan is worth a close look: that is, Beijing needs to clarify its true national interests. Obviously, the emphases on strategic consideration and the Taiwan issue under Mao and the stress on economic modernization under Deng should continue to be priorities in China's policy toward Japan. Other issues such as territorial disputes and historical legacies should be addressed, but not at the expense of major strategic and economic goals. It is in Beijing's interest to recognize the extremely important role Japan could play in creating a healthy and conducive international environment for China.

A re-examination of China's Japan policy can be conducted in the following dimensions. Beijing first should view its relationship with Tokyo from an overall global-strategic perspective. China should continue to promote friendly and cooperative relations with Japan, not only to facilitate its modernization but also to limit its economic and strategic dependence on the United States. While focusing on economic exchanges between the two countries, it is time for Beijing to also conduct regular consultations with Tokyo on regional strategic and security issues. China should recognize that it is legitimate for Japan to attach great importance to strategically important areas such as the South China Sea, and to sensitive issues such as human rights. As long as Beijing's legitimacy and sovereignty concerns over such issues as Taiwan are not threatened, Beijing should work closely with Tokyo on a wide range of regional issues, such as stability on the Korean peninsula and the Asian economic crisis. In doing so, Beijing would not only enhance its relationship with Tokyo but also its position vis-à-vis the US in dealing with global affairs.

Understanding China's perspective may also require a close look at Japan's position. One may argue that it is time for Japan to put history behind it and look to the future. In order to make this change, it is necessary for Japan to develop a national consensus regarding its wartime experiences in Asia, especially in relation to China and Korea. Japanese politicians should be more cautious about any move toward revising the Japanese constitution, particularly Article 9, known as the 'peace clause', since this is still a sensitive issue among Japan's Asian neighbors. A national campaign is needed to educate younger generations so they will properly recognize the devastation Japan caused during World War II. Based on this consensus, Tokyo may work out an official document with Beijing, specifically and precisely expressing its sincere remorse for its past behavior.⁵² In return, Beijing should agree that this document will serve as a foundation to conclude—as much as possible—the unfortunate history between the two countries and to move ahead toward a new relationship. China may also take more positive steps in the future

52. See, for example, Frank Ching, 'A tale of former allies', *Far Eastern Economic Review*, (2 March 2000), p. 35.

in supporting Japan's bid to become a permanent member of the UN Security Council.⁵³

In addition, Tokyo must continue to stick to its 'one-China policy' regarding Taiwan. Beijing has been particularly sensitive to any Japanese involvement in the Taiwan issue, considering that Taiwan was ceded from China to Japan in 1895 and remained Japan's colony for the next half century. Many older generations of Taiwanese politicians, such as Lee Teng-hui, Taiwanese president from 1988 to 2000, have a special emotional tie to Japan. It is understandable that any move by Tokyo to perpetuate the separation of Taiwan from the mainland would be interpreted as a continuation of Japan's long-term regional ambitions and would not be tolerated by any leadership in Beijing. Therefore, Tokyo needs to make clear it will not support Taiwanese independence, and its proposed TMD systems would not include coverage of Taiwan. It would be dangerous for Japan to use Taiwan as a 'card' to play games with Beijing. With such re-examinations of their policies toward each other, Sino-Japanese relations would be built upon a more solid and long-lasting foundation in the twenty-first century.

A better understanding of Washington's perspective is also helpful to comprehend Beijing's dilemma in its foreign policy issues. There has been constant debate regarding China and Japan in terms of American foreign policy priorities in East Asia. It is in the interest of the United States to play a balanced role between the two East Asian powers in order to maintain stability in the Asia-Pacific. It is understandable that Washington will maintain its alliance and further enhance its ties with Tokyo, which serves as the foundation for US policy in the region. There is no reason to believe that an anti-American 'Tokyo-Beijing axis' will develop in the foreseeable future. The US-Japan relationship is well-developed, deeply rooted, mature and solid. The US-Japan alliance will continue for decades to come, and will not be overtaken by encouraging the further development of Sino-Japanese relations, given the complicated historical, political and emotional elements between Beijing and Tokyo as outlined above.

While the US itself continues to fully engage Beijing politically, strategically and economically, Washington should also encourage Japan to enhance its relationship with China, particularly in the political and security realms. There are understandably different lines of argument regarding how to deal with the 'rise of China', such as implementing a Cold War-style containment policy similar to that used against the Soviet Union. Yet, while being fully prepared for potential conflict, it is in the best interests of all parties that a more cooperative rather than confrontational approach should be given first consideration in dealing with these complicated yet delicate relationships.

While trying its best to be cooperative with the United States, the only superpower in the post-Cold War era, Beijing has also prepared itself to face the above discussed challenge of a perceived 'two-against-one game', represented by the new guidelines of the US-Japan Security Treaty and the Taiwan Strait crisis

53. Samuel S. Kim, 'Mainland China in a changing Asia-Pacific regional order', *Issues & Studies* 30(11), (October 1994), p. 15.

of 1996. To counterbalance this perceived hostile environment, China has developed the following four strategies in its foreign policy.

First, China has further enhanced its cooperation with Russia and other former Soviet states, not only in economic and political areas, but more importantly in security matters. Second, Beijing has rekindled its interest in maintaining substantial influence over Pyongyang, so that China will have greater leverage in terms of political and strategic maneuvering in the Korean Peninsula. Third, China has moved further to improve its relationship with its neighbors in Southeast Asia, that is, to strengthen ties with ASEAN countries. Finally, China has increased its community building efforts in East Asia, as demonstrated by the establishment of the China–Japan–Korea Forum in economic and technology areas. This three-way forum was decided in the recent summit meeting between the three countries during the ‘ASEAN plus Three’ Conference held in Singapore in November 2000.⁵⁴

Clearly, stability and prosperity in the Asia–Pacific are in the best interests of China, as well as other major powers. Without properly handling the ongoing dynamics of major-power relations in the region, however, Beijing will not be able to maintain a peaceful international environment.

54. *Renmin Ribao* [People’s Daily Overseas Edition], (25 November 2000), p. 1.