

China's Soft Power

and

Changing Balance of Power in East Asia

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The purpose of this paper is to investigate the shifting balance of soft power between China and the US in their trilateral relations with Korea. The reason why this paper does not solely deal with China's soft power is that the measure of soft power in international relations is always relative and context-specific. When a country is regarded as powerful, one always needs to ask, "compared with what country?" Again, if a country is considered as powerful, one has to ask, "in what areas?" For example, even if Japan is a powerful country, compared with the US, Japan is still weak. The US is still the strongest in the world, but in the financial areas at the moment, the US is not as strong as before, particularly in its relations with China. Power is always a relative and context specific concept.

In discussing China's soft power, one also has to have a relative and context specific analytical framework. As a rising power, how powerful is China's soft power compared with that of the US, particularly in attracting key partners of the US in the direction of China? In what areas is China more powerful than the US in terms of attracting other countries? In this paper, the reference point is deliberately assigned to the US as the US is a defending hegemon, while China is widely imagined by the international society as the only probable challenger that can dethrone the US.

The trilateral soft power relations between the US, China, and Korea is extremely important in understanding the future shape of international structure of East Asia, if not the world. In

shaping their respective sphere of influences, both the US and China would take loss and gain of Korea from and to the spheres of influence of the other's as a serious tipping point in the coming sea change of distribution of capabilities in the world. Korea, which is located at a bridging end of the Eastern part of the Eurasian continent, is a regionally powerful blood ally of the US, while it is heavily dependent upon the Chinese market in its trade relations. If a key partner of the US in East Asia gets increasingly attracted to China drifting away from the US sphere of influence, that would produce a tremendously loud and wide ripple effect in the world. Therefore, if the US and China are indeed real competitors in shaping the future world order, China would try to pull Korea away from the US while the US tries to keep Korea within its own remote-front-yard.

From Korea's perspective, trilateral soft power relations are inevitably critical because Korea may have to face up to uncertain challenges of pressure toward and resistance against enormous structural changes. Korea's voluntary access to China and distancing from the US would backfire in the form of deterioration of the US-Korea security alliance whereas Korea's too close a cooperation with the US may put Korea's economic relations with China in danger, if the cooperation is consistently against China's national interests. The trilateral soft power relations also have domestic political repercussions in Korea. South Korean domestic politics will unfortunately be divided into pro-China and pro-American groups, and the consequent politics of vortex will manufacture incessant and wasteful domestic political confusion and turmoil.

Against this intellectual and policy backdrop, this paper will argue that Korea will be increasingly attracted to China in the future unless the US fully recovers its economic vitality. In the meantime and during the apparently long transition period, Korea's domestic politics will inevitably face identity warfare between pro-China and pro-US groups. The ultimate victim of shifting balance of soft power between the US and China, therefore, will be Korea's domestic politics, at least during the transition period.

[Soft Power: Behavioral Soft Power and Structural Soft Power]

Joseph Nye's conception of soft power is derived from a very simple dichotomy. While coercive power is conceptualized as hard power, cooptive or attractive power is defined as

soft power. When a country is forced to do things that it does not want to do, then we are observing an exercise of hard power. On the other hand, if a country willingly risks loss of its human and financial resources to support a leading country, then the latter is exercising soft power over the former.

Even if Nye did not divide soft power into behavioral and structural soft powers, it is useful to think in terms of such dichotomy in understanding soft power dynamics of international politics. I argue that behavioral soft power refers to change of a country's preferences and behaviors by the one who exercise soft power within a specific issue area. On the other hand, structural soft power refers to a state of attractiveness or "strength of binding" of other countries by a central power. For example, if Korea willingly changes its preferences from not dispatching combat troops to Afghanistan to sending troops there, that is a case of behavioral soft power. On the other hand, if Korea keeps attached and bound to the US sphere of influence while balancing together with the US against for example China, we are watching maintenance of the US structural soft power over Korea. Behavioral soft power is frequently short to medium term focusing specific policy goals, while structural soft power tends to be longer term connoting balance of power implications.

In analyzing China's relative soft power against that of the US, this paper pays central attention to structural soft power of both the US and China because from a balance of power perspective, what is important is the question of where Korea will tilt in the future. In fact, in the post-Cold war period, behavioral soft power can be exercised on issue based ways no matter to which country Korea is structurally attached to. For example, under Roh government China exercised more behavioral soft power toward Korea over the issue of the 6 party talks despite the fact that Korea was still structurally attached to the US.

One caveat in applying soft power concept to the analysis of China's soft power should be noted. Many commentators often make mistakes in distinguishing soft power from hard power by unwittingly applying a misleading criterion. There is a tendency to see that soft power is identified with possession of large amount of soft resources while hard power is likewise identified with possession of large amount of hard resources. For example, when a country is rich in cultural resources, universal values, has a good education system and a large number of foreign students, that country is viewed as having strong soft power. On the

other hand, if a country possesses a strong military, huge stockpile of nuclear weapons, high-tech weaponry, and ample financial resources, that country is seen as having strong hard power. However, such identification is extremely misleading, because the nature of soft power is attraction, not possession of soft resources, and the nature of hard power is coercion, not possession of hard resources. Therefore, if a country attracts others by military weapons, that country exercises soft power over others, whereas if a country can coerce others by provoking certain ideas or feeling of guilt, that country exercises hard power. Soft power is not something soft, and hard power is not something hard either.

[China's Structural Soft Power versus the US: Opportunities for Prosperity and Security]

As noted above, attraction or soft power is not always created by soft resources such as culture and ideology. Here is a simple question: To which country would people be more attracted to voluntarily have a good long-term relationship, China or Sweden, or England? The answer is quite straight forward. China is a lot more attractive than Sweden or England in terms of crafting and maintaining bilateral political and economic relations. The reason is simple: Because China offers enormously more market opportunities than Sweden or England. The existence of huge market and future growth potential, which is often considered as hard resources, is the very reason why China is so attractive to many people, many companies, and many countries. Even if China is not as beautiful as Sweden when it comes to the development of political and economic system as well as tradition of humanitarian aid, ODA, protection of universal values, China attracts more people and countries solely because it has a huge growing market. China is an authoritarian country under the ruling of a communist party, China's market system is still not well established, rule of law is quite uncertain, and China is not a consistent supporter of the so called universal values. However, more and more countries voluntarily want to have close relations with China because of its growing market or economic opportunities.

Many China experts on Chinese soft power frequently cite "Soft Aspect" of China in measuring China's soft power. Most notable examples are foreign policy slogans of "peaceful rise" "peaceful development," "new concept of international politico-economic order," "Beijing Consensus," establishment of Confucius Institutes around the world, China's pan-Asia satellite television service called "Great Wall TV package," huge and

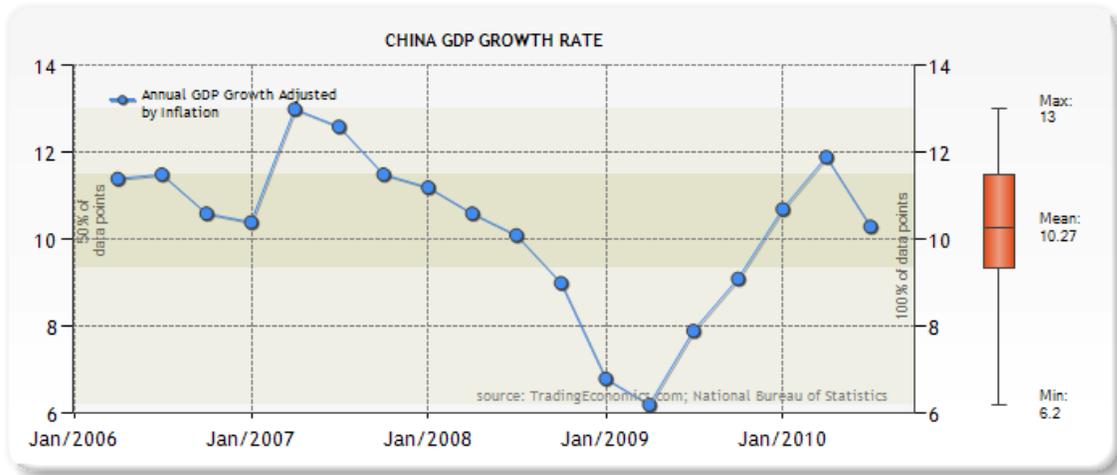
increasing number of foreign students studying in China, and Chinese Civilization. Yet, they are just auxiliary soft resources to strengthen the attractiveness of China's growing market rather than the very central element of Chinese attractiveness. If China is to suddenly stop growing, the growth of China's soft power will also follow suit. As noted previously, discussion of soft power focusing exclusively on non-material resources is very misleading in understanding why China is structurally attracting more and more countries in its direction.

Joseph Nye and many others also suggest "the power to be emulated" when referring to soft power. The argument goes as follows: America has a good democratic political system as well as free market system full of innovative energy. Its education system is an envy of all the other countries. Therefore many countries take the US as a model to emulate. Such a strong power to be emulated naturally attracts others. However, emulation does not always lead to attraction. During the Cold War era, Korea emulated the Japanese economic and education systems to modernize its society and economy. Yet, Korea was structurally attracted to the US as the US provided Korea with more opportunities for prosperity and security.

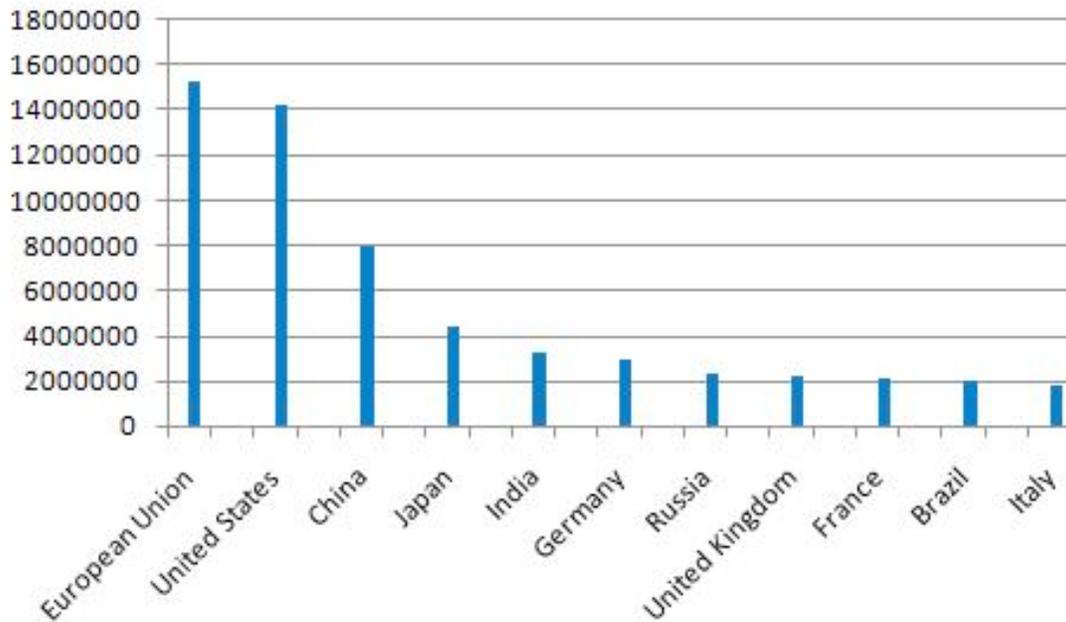
In essence, what matters in manufacturing attraction in international balance of power system is opportunity for prosperity and security. If China offers more opportunities for prosperity and security, countries will naturally be attracted to the Chinese magnet. On the other hand, if the US offers more opportunities, the magnetic force runs the other way. Therefore, a genuine analysis of balance of soft power between China and the US is not much different from an analysis of their economic and security potentials now and in the future.

(Opportunities for Prosperity and Security)

Despite the global financial crisis in 2007, Chinese economy has been growing at a double-digit rate as shown in the graph below. Even if Chinese economy is cooling down this year, it is still expected to grow around 10%. China's average growth rate has been 5.3% per year between 1960-1978, and 9.9% between 1979-2008.



In terms of market size or GDP, China is ranked 3rd in the world after Japan (if the European Union is not counted as one unit), and in terms of PPP based GDP, China is ranked 2nd in the world. Considering a large gap between China's economic growth and that of other developed countries in the OECD, there is no doubt that the Chinese market would expand ever larger every year taking up a higher portion of the global economy. The size of the Chinese economy was about 6.7% of the US in 1990, but it has grown to be 1/3 of the US market in 2008.



(source, IMF, 2008)

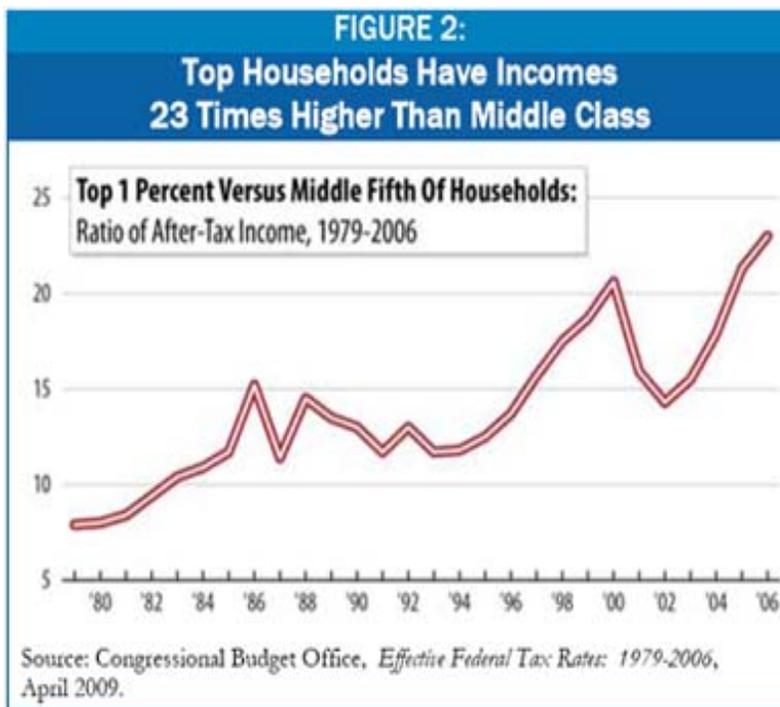
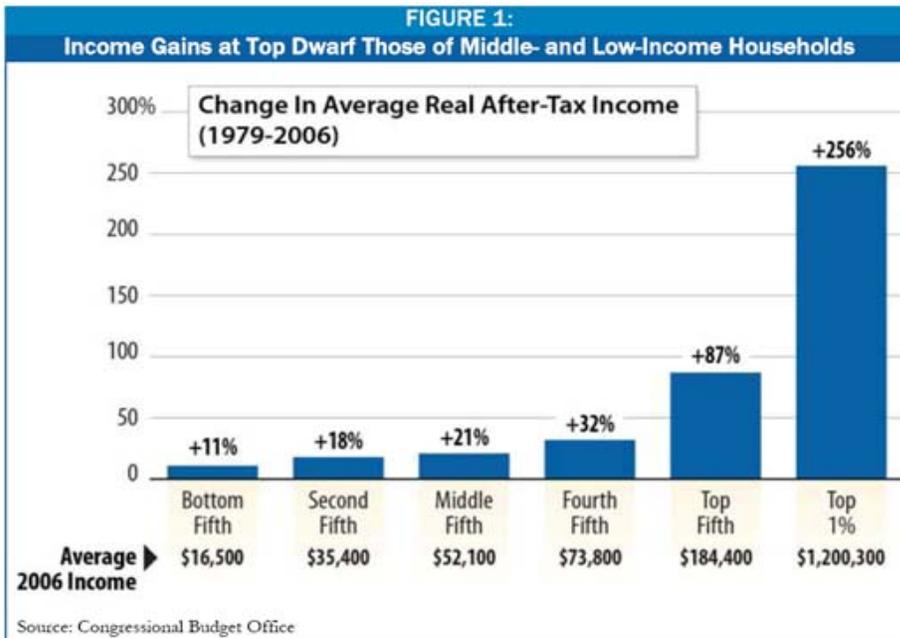
Comparison of the US/China GDP (0.1 billion)

Year	US	China	Differential	China/US (%)
1990	58,031	3,903	54,128	6.7
2000	98,170	11,985	86,185	12.2
2001	101,280	13,248	88,032	13.1
2002	104,696	14,538	90,158	13.9
2003	109,608	16,410	93,198	15.0
2004	116,859	19,316	97,543	16.5
2005	124,219	22,358	101,861	18.0
2006	131,784	26,578	105,206	20.2
2007	138,076	33,825	104,251	24.5
2008	142,646	44,016	98,630	30.9

(Source: Institute of International Strategic and Development Studies, Tsinghua University, The Rise of China's Power and International Role (June 2009), p.9.

It is expected that China's nominal GDP would surpass that of the US during the 2030s, and by 2050, Chinese GDP would become almost 2 times larger than that of the US. (Albert Keidel, China's Economic Rise: Fact and Fiction, Carnegie Endowment for International Peace, July 2008). The most conservative projection assuming China's annual growth rate at 8% and the US at 4% also predicts that China will surpass the US in 2045. (Institute of International Strategic and Development Studies, Tsinghua University, June 2009).

Above graphs and statistics themselves are China's soft power of attracting many countries and perhaps taking some of the US allies away from the zone of the US influence. When more and more countries move from the US magnet toward the Chinese magnet, new global balance of power will be formed where Chinese structural soft power is mainly derived from its economic black hole. Unless the US economy recovers fully from its current crisis showing strong positive signs in terms of demography, narrowing of the income gap, and innovational breakthroughs, the US will not be able to keep its allies or other countries from doing "political bank run." US soft resources such as promotion of universal values, public diplomacy, and culture will not be as powerful as above statistics and graphs in terms of structurally attracting other countries. After all, the US is revealing many signs of decay in Wall Street and Main Street. One of the most attractive assets of the US attractiveness, democracy in the US, does not look beautiful either showing extreme ideological bipolarization of politics between the two mainstream parties. American dream indeed can only be dreamt in dream as the rich gets richer and the poor gets poorer each year (figures below).



With regard to opportunities for security, apparently the US has an unmatched superiority over China. The US spends about 7 times more on its defense than China as of 2008, and US defense share of the world is 41.5% compared to China's 5.8%. (SIPRI Yearbook:

Armaments, Disarmament and International Security). The US has 725 overseas military bases, 5,400 multiple warheads ICBMs and 1,750 nuclear bombs and cruise missiles ready to be launched from B-2 and B-52 bombers. The US also has 1,670 tactical nuclear weapons. In terms of high-tech weapons, it is needless to say that the US is far ahead of other countries.

However, there are some caveats in interpreting US military power. First, the US military capability is not hard power but typical soft power of the US toward its allies. For example, US enormous military superiority gives comforts to the allies. US stealth fighters and aircraft carriers are simply beautiful in the eyes of the US allies. Even if the US may not use those high-tech weapons in stock in the real battlefields, the presence of huge military and enormous amount of defense spending is simply attractive and comforting to many vulnerable allies. The US does not have to coerce its allies by flexing its military muscle.

Second, US military capabilities are also hard power resources. But they are rarely used in great power politics. The US does not want to and does not need to use its military capabilities against, for example, France, Russia, Germany, and Japan. US bilateral relations with those countries are basically normal, and within the scope of diplomacy. The main battlefield where the US uses its military muscle is its war against terrorism, and mostly in Iraq and Afghanistan. Even there, US is not able to achieve its goals because stockpile of US nuclear weapons does not really have much utility there. High-tech weapons also cannot win the hearts and minds of the people in Afghanistan and Iraq let alone Iran.

Third, US-China security relations are basically constrained by balance of terror. Although the US has huge advantage in the number of nuclear weapons over China, Chinese deterrence against the US is well working, and especially in the strategic theater of East Asia, the US may not have military advantage over China.

Within this context, it is quite uncertain to determine which country is offering more security opportunities to the countries in East Asia. No matter how large the US stockpile of nuclear weapons, the US may not be able to use them against China. Again, when economic interdependence is ever deepening, many countries in East Asia will be more concerned

about alliance entrapment rather than abandonment. A country that has extensive and intensive economic relations with China does not want to militarily challenge China even when the US demands so. China, after all, does not want to destabilize global and regional markets by threatening neighboring countries in the first place. Therefore, if the US security policy is to be seen as expansionist and overly reactive to the rise of China by other countries, US may lose its soft power battle against China. That will ultimately result in shifting balance of power structure increasingly in favor of China. In other words, Chinese magnet will get more and more magnetic force.

[Korea between the US and China]

Under the assumption that China will continuously grow while the US will decline in terms of market size and opportunities, Korea's option in the future is quite straightforward: To Korea, China will be a much more attractive country than the US. Korea will increasingly distance itself from the US policies that will be derived from China threat hypothesis. When Korea's exports to China is already bigger than its exports to the US and Japan combined, attractiveness of the Chinese market can hardly be replaced by the US and the Japanese markets. US defense commitment to Korea and the East Asian region cannot be sustained unless the US economy can support its grandiose military machine. When the US and China are on the same boat due to economic and financial interdependence with each other, Korea does not have to repair its outdated Cold War clock. North Korea's nuclear problem cannot be solved without the help and cooperation from China and the same is true with unification of Korea. Therefore, soft power game between the US and China in relation to Korea is in fact a game of market opportunities.

During the transition period in which China emerges as a number two country in the world while the US slowly declines, there will be an intensive domestic political battle between two identity groups in Korea. Pro-US groups will continue to argue preeminence of American power and accuse pro-China groups of unrealistic and ideological orientations. Pro-China groups will emphasize upon market opportunities and paradigm shift in world politics. The political battle will naturally evolve into politics of ideology sacrificing real national interests at hand, be they economic or security interests. In the mean time both the

US and China may try to take advantage of the crack and the division to pull Korea in their respective direction.

Of course, above discussion is based upon many assumptions. China may stop developing at double-digit rate due to domestic political and economic hurdles. The US can recover from the current financial crisis and come up with eye-opening technological and organizational innovations. MD may lift some of the barriers against first use of nuclear weapons by the US, therefore tilt the nuclear balance of terror in favor of the US. But the fact is that China is already well aware of these possibilities, and will preempt and react to the outbreak of these possibilities with every national effort. It is very difficult to undo already acquired knowledge and experiences of rapid and continuous economic development.