

GREAT POWERS AND POWER DYNAMICS IN EAST ASIA

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Abstract

This article examines the role of great powers in the emerging macro-region of East Asia, comprising North-East Asia, South-East Asia, South Asia and Central Asia, as well as the US and Russia. The great powers, namely China, Japan, India, the US and Russia, shape the regional order in East Asia and determine power dynamics, since they have a decisive influence on economic, political and security interactions in the region. China's rise is the main factor inducing a power shift in East Asia. China's power has increased substantially vis-à-vis Japan. However, Japan's standing as an economic and technological leader in the region remains significant, although Japan has few resources to build it up, in comparison with China. Despite this fact, ASEAN countries view Japan more favorably than China, as the latter's soft power resources are still limited.

The US "pivot to Asia" underpinned its position as one of the regional leaders with the world's strongest military forces. At the same time, it has resulted in an escalation of the South China Sea conflict and demonstrated that ASEAN's ability to act as a driver of regional integration is constrained by the dynamics of relations between the US and China, the strongest great powers of East Asia. India appears as a large state with a rapidly developing economy and great human resources. India's growing involvement in the region's power dynamics stems from the country's bid for a major power status and its desire to develop economic cooperation with East Asian countries. Russia and India have weaker positions in the regional power distribution and they fall short of being full-fledged actors in the emerging macro-region. In the meantime, their standing is improving at a great pace, a process that goes well with the policy of East Asian states to welcome India as a counterweight to China and Russia as a global player that likes 'to play fair.'

Keywords:

Great powers; East Asia; China; Japan; India; USA; Russia.

By 2015, Asia, as a whole, and the East Asia region, in particular, have started to play an increasingly noticeable role in global policy and economy. Processes of regional transformation have given rise to a new micro-region 'The Greater East Asia', i.e., East Asia, in its general sense, comprising North-East, South-East and South Asia (primarily India), countries of Central Asia, as well as the US and Russia. A central role in the increasing interdependence processes in this vast area is played by the great powers, namely, China, Japan, India, the US and Russia, who are able to structure the surrounding regional space ['The Greater East Asia'... 2010, 88-92].

Nowadays, the great powers concept has become more complicated when taking into account the practical experience of the English and Copenhagen Schools of International Affairs. Gaining material resources (in accordance with the criteria set forth by the Neo-Realist K. Waltz these are: population and territory size, resources endowment, economic strength, military power, political stability and competence of management), formal recognition by other participants international relations, and the state course of action at the global level correspond to gaining such a status [Buzan, Weaver 2003, 30-36]. The Russian researcher Shakleina T.A. additionally highlights

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the ability of a state to exert a considerable influence on regional policy and the policy of separate countries, as well as on the 'tradition and culture of thinking and acting globally' [Shakleina 2011].

Great powers play a key role in regional processes. *First*, in many cases it is their activities that get the regional interaction started. *Second*, their active penetration into 'adjacent regions' leads to the creation of macro-regions. Finally, *third*, only the great and regional powers which have significant resources can establish the regional order in a particular geographic area, since they determine the region dynamics. In this connection the Russian scientist Bogaturov A.D. noticed that in regional interactions the leader is individuated from non-essential players by co-relation of the 'background' and 'creative' initiatives in the state foreign policy; the countries with dominant 'creative' initiative become the leaders, and those with dominating 'background' initiative dissolve in the mist of such an interaction [Bogaturov, 1997].

1

How did the power dynamics change between two 'traditional' great powers in East Asia, namely, *China* and *Japan* in the beginning of 2010 decade? The Chinese researcher Jian Yang, when analyzing China strengthening and the position of Japan, underlines the significant increase of the PRC's all-round power, primarily based on persistently high rates of economic development, starting from 'reform and opening-up' as proclaimed by Deng Xiaoping in 1978 (over 9.5%), against the background of a relative weakening of Japanese power [Yang 2010, 149].

The Japanese economic miracle of the 1960-1980's was followed by 'lost decades'. At the end of the 80's, beginning of the 90's the 'bubble economy' failed, and up to 2008 the average rate of GDP growth in Japan was 1.1% per year. Japan's position in East Asia has become increasingly weak as a result of the country's inability to crawl out of prolonged recession deepened by the global financial and eco-

nomical crisis, and as a result of 'threefold disaster of the 11th of March 2011' (tsunami, earthquake and accident at Fukushima-1 Nuclear Power Plant). During the 2009 crisis the Japan GD shrunked by 5.5%, and it resumed the pre-crisis level just in 2012.¹

In 2010 the Chinese Nominal GDP overpassed the Japan GDP (the PRC GDP overpassed the Japan GDP in purchasing power parity as far back as 2002), thus moving Japan down to the position of the third economy in the world.

This led to the strengthening of Beijing's position compared to Tokyo's. By its demographic data, the size of its territory and its natural resources, China significantly overpasses Japan which has to deal with a demographic challenge due to an aging population. Another one of Japan's problems, which worsens its position in its contest with China, is its absence of clearly articulated foreign policy strategy, and its difficulty to establish relations with other countries, primarily with China and countries of South-East Asia, in the context of the military-and-political alliance with the US [Yang 2010: 149-151].

The PRC foreign policy strategy is based on the implementation of the 'peaceful development' principle which presupposes the creation of favorable conditions for the country's economic transformation, maintaining internal policy stability, territorial integrity, easing other countries' apprehensions concerning Beijing's intentions and increasing its regional and international influence and credibility [Kang 2007: 83-84]. The implementation of this strategy, which replaced the concept of China's 'peaceful rise led to its neighbors questioning the 'peaceful nature' of Chinese development. The result of this strategy was that China moved to the position of one of economic leaders in the region, thus, leaving behind Japan that played the role of principal moving force of regionalization processes in the 1980's and 1990's, but that lost its key role due to the Asia crisis of 1997-1998 [Baykov, 2011].

At the same time, the conclusion that the rise of China marginalizes the role of Japan in

¹GDP Growth // The World Bank. URL: <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

the region would be incorrect. It is apparent that its presence in East Asia as an economic and technological leader is still fundamental, but contrary to Beijing, Tokyo has practically no resource reserve left to further build-up its leadership. It only strives to keep and consolidate its existing positions [Koldunova, 2011]. In this case, we should consider such indicators as the share of China and Japan in trade with ASEAN countries, where China and Japan maintain approximately equal shares (11.7% for China and 11.4% for Japan in 2011)²; the share of foreign direct investments of China and Japan in ASEAN countries, where Japan and other developed countries are significantly ahead of the PRC (4% for China and 12% for Japan in 2006-2011)³; GDP per capita reflecting the real standards of living in which Japan almost 8 times surpasses China (USD 6,091 for China and USD 46,720 for Japan in 2012)⁴; technological leadership of Japan and lag of China that has set itself the target of transferring to an innovation-driven growth model, but practically fully depends on imported technologies and know-how (in the PRC 11 inventions are patented per 10 thousand of people, while in Japan – 1700) [Russia in a polycentric world. 2011, 240]; as well the fact that Japan has one of the most modern and well-equipped armed forces in the world, and its self-defense naval forces, the combat potential of which surpasses at present the PRC Navy, in spite of modernization of the latter, remain the most powerful in Asia, [Bush 2010, 42, 55].

In these circumstances, the PRC stakes on the extension of soft power, which comprises the spread of Chinese culture (in particular with the aid of the Confucius Institute), political values (“Beijing Consensus” model, which is an authoritarian government with development of market economy) and the attractiveness of its foreign policy, which is formulated in a non-ideological and pragmatic way. This has made it possible to normalize relations

with South Korea, Vietnam, Indonesia and other countries of the region.

Despite of positive shifts in organizing China-minded groups of population, the potential of China's attractiveness still lags behind the similar influence of the US and Japan [Yang 2010, 153-154]. As evaluated by American professor Shambaugh D, the attractiveness of the Chinese model is of a rather limited nature, and in spite of tremendous efforts put in to increasing its soft power, China's image in the world still remains questionable and negative, excluding just some Asian and African countries. Starting from the late 2000's the PRC reputation in Asia worsened due to active modernization of military potential and the PRC policy tightening in the region [Shambaugh 2013, 9-11]. As stated by Russian Researcher Mosiakov D.V. ‘ideologically, China and SEA do not simply exist’ and ‘neither China itself, nor its model of political organization and political behavior as a somewhat matrix for copying in the SEA countries, and generally in Asia, are considered seriously’ [Mosiakov, 2012].

At the same time, despite of popularity of the democratic model and of Japanese culture in East Asia, and the active efforts of Japanese organizations, in particular the Japanese Fund, the soft power of Tokyo is far from being as influential as could be expected. The reason rests in the paradox of Japan's identity, which is viewed by the West as an Asian country, and in East Asia it is frequently considered as a country which is too close to the West to really be an Asian one. Despite this fact, ASEAN countries view Japan more favorably than China [Yang 2010: 154, 163].

2

China's rise is the main factor inducing power shifts in East Asia. Modernization of the PRC's military potential, which is evaluated, with reference to some parameters, as the second in the world, gives rise to concern from the

²Top ten ASEAN trade partner countries/regions, 2011 // ASEAN. 14.08.2012. URL: http://www.asean.org/images/2013/resources/statistics/external_trade/table20.pdf

³ASEAN Economic Community Chartbook 2012. – Jakarta: ASEAN Secretariat, January 2013. – p. 42.

⁴GDP per capita (current US\$) // The World Bank. URL: <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>

neighboring countries of the region. At this, China's ability to exercise influence upon the countries of East Asia remains limited, and the military resources are projected mainly on contiguous waters. They are far behind the American ones, in part because it doesn't have military bases and armed forces abroad [Shambaugh 2013: 269-272].

The US presence in East Asia was of a systemically important nature in the second half of the XX century, and its main tool was always the 'axis and spokes' system in the form of bilateral military-and-political alliances with Japan, South Korea, Taiwan, Australia, Philippines and Thailand. The US has the strongest military forces in the region. The Pacific Command includes about 330 thousand people (including, civilian personnel), 180 ships, including five striking carrier groups, two thousand aircraft, five army brigades and two amphibious infantry divisions [Rogov, 2013]. Up to now the US remains a technological leader in the region alongside Japan [Koldunova, 2011] and one of the main trade partners of ASEAN with a share of 8.3% of total sales volume⁵.

The US 'pivot / rebalancing to Asia-Pacific' announced at the end of 2011 is supported not only by a course towards prioritized forming of economic bloc of Transpacific Partnership (TPP), strengthening bilateral military-and-political alliances and their adaptation to new conditions, stepping-up the activities in multi-lateral institutions (first of all in the East-Asian Summit), but also by a new military doctrine, that plans redeployment to this region of 60% of the US Navy and reinforcement of American military contingents in the region [Pivot to the Pacific? 2012, 2-11]. Moreover, they have taken steps aimed at the development of relations with Singapore, Indonesia, Vietnam and Myanmar.

The US 'pivot to Asia' makes the presence of the country with the largest economic, technological and military potential more noticeable in the region. This results in the escalation of conflicts which were at a 'stage of latency'. This is most noticeable through the example

of the Philippines' actions during the escalation of conflict with China in the South China Sea in 2012-2013. Many experts believe these conflicts are backed by the US.

In the meantime, ASEAN countries were unable to make a joint communique during the summit in Phnomh Penh in November 2012 due to disputes between the Philippines, Vietnam and Indonesia, on the one hand, and Cambodia on the other hand who took a pro-China position concerning the issue of conflict escalation in the SCS. This disagreement demonstrated that ASEAN's ability to act as a driver of regional integration is partly due to the dynamics of relations between the US and China, the strongest great powers of East Asia. [East Asian Strategic Review 2013: 224-236].

3

Concurrently, there is a new trend by which more than one Asian giant is rising. Indeed India demonstrates a stable rate of GDP growth (about 5 to 6% per year over the last 20 years), possesses significant military forces and is the second after the PRC in demographic resources. The absence of complementary relationship with the countries of South Asia led India to strengthening its foreign policy and economic interaction with East Asian countries within the framework of the Look East Policy put forward in 1991 ['The Greater East Asia'... 2010, 95-96].

Though Buzan B. and Weaver O. did not highlight India as a great power, beginning from 2000's the expert community is increasingly attentive to India's aspirations to become a leading world or global center of power [Nayar, Paul 2004]. As viewed by Indian leaders, the achievement of such a status seems to be the main goal of India's policy diversification and of the development of relations with ASEAN countries, such as Japan and the Republic of Korea. Though India ranks only 10th in the world for GDP per capita, GDP indicator for Purchasing Power Parity (PPP) shows that India already ranks third in the world after the US and PRC, thus leaving behind even Japan. Its Armed Forces rank third

⁵Top ten ASEAN trade partner countries/regions, 2011.

in manpower after the PRC and the US, and they are actively being modernized. Its achievements in the sphere of high technologies are widely noted in references and expert commentaries, while a young population, compared with the aging population of China, appears as the great competitive advantage for continuation of economic development [Юрлов 2011, 2-10].

India's economic position in East Asia is not very powerful, but it is rapidly improving. India's trade with ASEAN countries increased 18 times starting from the early 1990's, which made India the eighth partner of the Association with a share of 3% of its total volume⁶. India's relations with China have a conflict potential. The prospect of cooperating with democratic India is an attractive possibility for the US and Japan. Japan aspires to oppose the growing ability of China to project power not only onto the Pacific, but also onto the Indian Ocean with the idea of the 'security diamond' composed of Australia, India, Japan and the US, i.e., the democratic countries respecting the rule of law and human rights 'for protection of maritime space from the Indian Ocean to the western coast of Pacific Ocean' [Hemmings, Kuroki 2013, 13]. India emerging, its bid for a major power status and the activation of China's politics on the periphery of this country lead to South Asia's involvement into the regional processes in East Asia and to the formation of a common macro-region. This explains the invitation of India to be a part member of the East Asia Summit (EAS) since its inception in 2005 r. ['The Greater East Asia'... 2010: 91-92, 96].

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The economic and political rise of giant states of the region, namely, India and China, strengthening the alliance for security between Japan, which remains the mostly technologically developed country in East Asia, and the the US striving to keep under control the regional processes – all this put on the agenda the question of quite how the formatting of the region of East Asia will be implemented, and what role will be played by Russia in this pro-

cess. Meanwhile, for Moscow, the East Asian region turns out to be of prime importance in the context of the diversification of its foreign policy and the development of Siberia and Far East regions which have economic ties with the countries of East Asia region, ties which are substantially closer than with the rest territory of the country.

The mutual interest of East Asian countries to extend cooperation with Russia appeared due to two circumstances which substantially influenced the strategic situation in the region, i.e., the economic and accompanying it military-and-political growth of China, and the US 'pivot to Asia'. Proceeding from concerns on the rise of China and the necessity to balance between the US and China, ASEAN countries became more sympathetic to Russia as the state which presence can contribute to peace and stability in the region, and this was reflected by the fact that Russia was welcomed into East Asia Summit in 2010 [Sumsky 2012, 70-79].

The analysis of regional processes shows that the decisive role in power dynamics in East Asia is further played by China, Japan and the US. These countries are economic leaders, they act as drivers of integration projects and have a military power substantially superior in force to that of the other countries of the region. They are recognized as key centers of power in East Asia, and stability in this region depends on their policy. Russia and India have weaker positions in the regional power distribution and they fall short of being full-fledged actors in the emerging macro-region. In the meantime, their standing is improving at a great pace, a process that goes well with the policy of East Asian states to welcome India as a counterweight to China, and Russia as a global player that likes to play fair.

Changes in power dynamics and the complicated configuration of relationships between great powers in East Asia cause instability in the region which results in the escalation of territorial disputes and in a challenge for the regional economic integration which has to choose between two formats: the Regional

⁶Top ten ASEAN trade partner countries/regions, 2011.

Comprehensive Economic Partnership (RCEP) in ASEAN+6 format without the US and the Trans-Pacific Partnership that is formed under the auspices of the US without the involvement of China [Arapova, Baykov,

2012]. For Russia, it is important to extend its economic clout in East Asia for the purpose of strengthening its own positions as a great power in the region, and not to stay aside from the processes of regional economic integration.

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