

“A New Order of the Asia-Pacific” Study Project 2014 Summary

1. Research Theme

Power Transition in the Asia-Pacific Region: The Process and the Future Outlook

2. Research Objective

How the U.S.-China relationship evolves over time is crucial to the Asia-Pacific region's peace and stability.

The U.S. will continue to be the first among other nations; however, its relative influence is declining in the international political arena.¹

China pursues “the New Model of Major Power Relations” with the U.S., seeking to be recognized as one of the two great powers²; however, it is experiencing a slowdown in its economic growth rate and is facing many other potentially destabilizing domestic difficulties. To what extent China succeeds in increasing its political influence congruent with its economic growth is not straight forward. There is no denying that China’s recent coercive behavior in Southeast and East Asia, its failure to contribute to the established international governance system, and its own interpretation of the rule of law, freedom, and human rights are not exactly harmonious with that of Western democratic norms and actually raises tensions in international politics.

The relative power shift between the U.S. and China is a factor that deeply

¹ “The Global Trend” of the National Intelligence Council (NIC) expressed the characteristics of the U.S. 15 years later would be a “preponderant power (2000),” “a single most powerful actor (2004; 2008). This changed to “a first among equals” in the 2012 issue.

² It is after the U.S.-China summit talk at Sunnylands in June, 2013 that China started to officially use the term “the new model of major country relationship.”

“Remarks by President Obama and President Xi Jinping of the People’s republic of China Before Bilateral Meeting,” *Press Release*, Office of the Press Secretary, The White House, June 7, 2013. (Website checked on July 22, 2014.)

<http://www.whitehouse.gov/the-press-office/2013/06/07/remarks-president-obama-and-president-xi-jinping-peoples-republic-china>

The 6th session of the U.S.-China Strategic and Economic Dialogue was held in July 2014. There has been numerous media reports that the Chinese side repeatedly advocated the “the new model of major country relationship.” See, The U.S.-China Dialogue: Appealing for the new major power relations. July, 9, 2014. Sankei Shimbun. (Website checked on July 22, 2014)

<http://sankei.jp.msn.com/world/news/140709/chn14070922180008-n1.htm>

On the other hand, the U.S. continued to express the relationship as “a new form” and was cautious in using the term “major power.”

“Statement by the President to the U.S.-China Strategic and Economic Dialogue,” *Press Release*, Office of the Press Secretary, The White House, July 8, 2014. (Website checked on July 22, 2014)

<http://www.whitehouse.gov/the-press-office/2014/07/08/statement-president-us-china-strategic-and-economic-dialogue>

influences not only Japan and the Asia-Pacific region but also the peace and prosperity of the world. We need to carefully investigate the impact of this power shift in international politics.

In doing so, one of the issues that needs to be considered is what makes a nation a “great power” in the 21 century. This century has been witnessing unprecedented technological progress change the state of military power and activities. Technological progress also caused a major expansion in security policies to cover the economy, cyber space, and outer space. The state of the economy, one of the indicators of national power, went through an enormous structural changes due to technological progress. Technological advancement, for better or for worse, will continuously change the world and requires us to adapt our responses.

Technology is not the only factor that causes changes. The expansion of demand for natural resources caused by economic developments and population increases, the widening income gap within and between countries and religious conflicts are also triggers of tensions. These factors are increasing uncertainties as well.

We need to understand the properties a 21st century “great power” needs to have in order to occupy a central position in the world governance system and how the properties differ from past centuries. Without being trapped in stereotypical views, we need to ask once again what a great power is in an era of continuous technological changes and of increased uncertainties and project it onto U.S.-China relationship.

Another issue that needs to be discussed is the significance of the deepened economic interdependence of the 21st century and its implications for security matters. Increased technological advancements in industry, finance, and telecommunications have introduced fierce competition all the way from the upstream of economic activity to the downstream across countries.

On the other hand, the cross-border flow of goods and capital and changes in company behavior have substantially blurred the meaning of national borders in economic activities and simultaneously created the highest level of interdependence among nations in human history.

One can now say that economic interdependence strengthens the relationship between the economy and security in two ways: the economy has become a key factor in the security field and interdependence functions as a part of mutual deterrence. Traditionally, in the research of international relations, there has been a tendency in the studies of international politics/security and the international economy to treat them as mutually independent, if not exclusive, fields. Contrary, our study will be a new initiative to connect these two through the examination of how the duality impacts the U.S.-China relationship, and for that matter, Japan-China relations. This effort will better reflect the actual on-going developments in the real world.

Last, but not least, on the basis of the above study, we will look into what needs to be done to promote the peaceful coexistence of countries in the Asia-Pacific.

Japan, having China as a neighbor and allied to the U.S., is one of the nations on which the U.S.-China relationship has an enormous impact. However, Japan itself is in a position, unlike others, to potentially influence these relations as well. U.S.-China relations will constantly evolve, thus, requiring us to discard any fixed ideas about their relationship and in considering the implications for Japan's foreign policy.

3. The Research Content:

The research will focus on the following three subthemes over a period of three years.

① Characteristics of a Great Power in the 21st Century

In the 21st century, elements such as technological advancements and demographics have brought about unprecedented changes in international economics and politics, military power and the structure of a society. Accordingly, the concept of a “great power” will probably need to change in the 21st Century. Here, we will consider the following questions: What is “a great power”? Can it be determined by sheer military power? How important are other elements such as their economy, technology, soft power, social integrity, and control of the new domains in the global commons such as cyber, space, and the oceans? Is it possible for a great power to retain security in these expanding domains?

Having the above in mind, an audacious working hypothesis is that the 21st

century concept of “a great power” will be different from that of the 20th century. The concept would be built around “an alliance great power.” The logic behind this concept is that responding to expanding uncertainty in the security field by a single nation will be (or already is) utterly impossible both technologically and financially. Therefore, cooperating with other nations will be imperative.

One critical elements in constructing an alliance or cooperative relationship is whether partners can have a common platform of principles, such as democracy, the rule of law, and human rights, rather than gains and losses of interests. NATO can be recognized as the pioneer example of this.

Here, we will discuss how the U.S. and China can change in the period leading up to 2030-40 under the concept of a new “great power” of the 21st century.

② The Power Transition and the Economic Interdependence

One difference between past power transitions and the current one is the development and depth of economic interdependence. Here, we will consider U.S.-China relations as a case study in the dual relationship of economic and security issues as discussed in the earlier section. First, we will comprehensively discuss the following questions: Which one of the elements of the interdependence between the U.S. and China is critical for security policy: Goods, services, direct investment, finance, or any others? Which one of them can be used as leverage by either side? We will also consider whether certain aspects of their interdependence are more critical to one country than the other, and, if so, what are the implications of that? How far can the deepening of economic interdependence function as a deterrence? Is interdependence contributing to the construction of a plus-sum relationship?

There needs to be more discussions about the methodological approach to this theme, however, one idea would be to look at the degree of overall mutual interdependence, the dependence on goods without alternative suppliers, and financial interdependence as a yardstick.

If possible, we will look into how much economic interdependence is contributing to the peace and stability of the Japan-China relations. Accordingly, we may attempt to evaluate the developing economic interdependence of nations in Asia including China.

Furthermore, we could attempt to compare the relative interdependence of the U.S. and Japan to that of the U.S. and China.

③ Way to Desirable Co-existence in the Asia-Pacific Region

Since the establishment of the European Coal and Steel Community and up to now, a military conflict within the EU has been avoided. Having this case in mind, is it possible to construct any similar type of community in the Asia-Pacific? If so, what kind of approach is possible? These questions will be considered through the lens and results acquired through the discussions in ① and ②. In doing so, we will take into consideration the developments in the East Asian Summit, ARF, APEC, TPP, RCEP, ASEAN Community Concept, etc. We hope to propose a policy recommendation on what leadership Japan needs to take.

4. Research Format

- ✧ Duration of the Project
A three-year program from FY2014 to FY2016.
- ✧ Hosting body
The project will be co-hosted by the Meiji Institute for Global Affairs (MIGA) and the Tokyo Foundation.
- ✧ Project organization
A research group is created in Japan to meet approximately once a month to explore the subject. We will ask a number of international scholars and others with keen interest in the subject to associate loosely with the project to contribute their expertise when asked and/or appropriate. They may be invited to come to Japan to contribute at the conferences and symposiums, or asked to contribute articles regarding the subject. There will be a manuscript payment and speaker honorarium if invited, while association itself is on the pro bono basis.
- ✧ Project output
The domestic research group will produce an annual report or an equivalent document such as proceedings of a symposium. An international symposium will be held once a year, inviting international scholars from the associated members.
We also seek to start working on a book after the last half of the third year, with an aim towards publication during the fourth year. The book will be co-edited by Masahiro Akiyama and Yoriko Kawaguchi and will be mainly written by the selected members of the domestic research group.

- ❖ The project homepage will be made within the MIGA and the Tokyo Foundation website. The project output (written or recorded) will be posted and publicized through the website. The content will mainly be the presentation by the speakers at the study sessions with the speaker's consent, interview clips of scholars, including the people from abroad.