

# New Dynamics in Asia

edited by Karol Żakowski



Contemporary Asian Studies Series

**WYDAWNICTWO  
UNIWERSYTETU  
ŁÓDZKIEGO**

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# Table of Contents

Karol Żakowski, <i>Evaluating the Dynamic Changes in Asian Countries</i> . . . . .	7
<b>The Western Powers' Changing Position in Asia</b> . . . . .	11
David Jervis, <i>A Review and Evaluation of Recent Scholarship on America's War in Vietnam</i> . . . . .	13
Su-chun Li, <i>A Case Study of the Fulbright Program in Korea</i> . . . . .	27
David A. Jones, <i>Managing Asia: A 21<sup>st</sup> Century "Chingbirok"? Opportunities in Trade Balanced Against Risk Factors in East, South, and Southeast Asian Security</i> . . . . .	43
Mateusz Smolaga, <i>Targeting of EU Development Assistance in Asia</i> . . . . .	59
<b>China's Rising Influence in the World</b> . . . . .	79
Amandeep Singh Hanspal, <i>The Belt &amp; Road Initiative and Its Impact on Central Asia. Kazakhstan: A Case Study</i> . . . . .	81
Mateusz Chatys, <i>The Patron-Client Concept in Relations between the People's Republic of China and the Philippines</i> . . . . .	91
Przemysław Ciborek, <i>Political and Economic Activities of the PRC on the Balkan Peninsula. Romania: A Case Study</i> . . . . .	111
<b>Evolution of Japanese Democracy</b> . . . . .	129
Jinghao Zhou, <i>Chinese Confucianism, Japanese Practice</i> . . . . .	131
Sylwia Łagnowska, <i>Dynasties and Democracy in Japan</i> . . . . .	147
Karol Żakowski, <i>Political Leadership vs. Prime Ministerial Leadership: Evolution of the Priorities in Decision-Making Reform in Japan</i> . . . . .	161
List of Figures . . . . .	179
List of Tables . . . . .	181



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## **Evaluating the Dynamic Changes in Asian Countries**

Dynamism has been a key word in describing the changes in Asia since at least the mid-19th century. It was Japan that initiated abrupt modernization as the first country on the continent in the Meiji period, in 1868. Profound economic, societal, political, and cultural changes were experienced by a growing number of Asian states after the end of the Second World War. Decolonization, wars in Korea and Vietnam, the emergence of Asian Tigers, Sino-American rapprochement after the Nixon Shock in 1971, and entry of the People's Republic of China on the path of reforms in 1978 attested to the increasing importance of Asia in the global geopolitical landscape. The rise of China, coupled with the economic and political stagnation of Japan, translated into a further change in the power balance in the region after the end of the Cold War. This monograph tries to illustrate different aspects of these complex dynamics.

The first thematic block focuses on the analysis of the US and the EU's changing position in East Asia. It touches upon both the historical legacy of the Cold War and the power shifts in current times. David Jervis reviews recent publications about the Vietnam War. He concludes that while the analyzed titles put much emphasis on describing the tragedy of the Vietnamese people, they also implied that the atrocities committed by the US may have been an inevitable measure to stop the spread of communism in Asia. Su-chun Li examines the evolution of the Fulbright program in the Republic of Korea. She suggests that despite the fact that the program did not directly influence Seoul's foreign policy, it was potentially instrumental in inculcating such values as freedom, democracy, peace, and self-determination in South Korea. David A. Jones examines



the possibility of building an Anglo-American trade route alternative to China's new silk road plan: maritime corridors from Japan to the Mediterranean Sea or across the Arctic Ocean, as well as a land corridor through Russia. He suggests that without such an initiative, it will be difficult to contain China's rising power. Mateusz Smolaga, in turn, traces anomalies in the EU's Official Development Assistance (ODA) to Asian countries. As he stresses, while the EU's targeting generally matched a high ODA to a low Human Development Index (HDI), the EU also used the ODA to pursue its own political and economic goals. The four chapters illustrate the fact that the US, and to a lesser extent the EU, has been unwilling to easily cede ground in Asia to the rising China.

The second thematic block examines China's growing political and economic influence in the world. Amandeep Singh Hanspal analyzes the significance of the Belt & Road Initiative for Kazakhstan and whole of Central Asia. He stresses that while Kazakhstan has been using the Chinese initiative to achieve its own developmental goals, it has been also concerned with the violation of human rights of ethnic Kazakhs and Uyghur Muslims in Xinjiang. Mateusz Chatys examines the evolution of a patron-client relationship between the People's Republic of China and the Philippines. As he concludes, despite the Chinese ambition to replace the US as the main patron of the Philippines, the Philippine society and military elite still display high distrust towards Beijing and high confidence in Washington. Przemysław Ciborek, in turn, analyzes China's growing political and economic presence on the Balkan Peninsula, in particular in Romania. He emphasizes that while Beijing remains an important partner for Bucharest, the asymmetry in bilateral trade exchange pushes Romania towards counterbalancing Chinese influence by reinforcing positive relations with the EU. All three chapters stress China's growing ambition to play a significant role in different parts of the world, but they also indicate the social, humanitarian, political, and economic obstacles to the spread of the Chinese sphere of influence.

While the People's Republic of China has been strengthening its international position, recent decades have witnessed a gradual demise of Japan's relative power. This profound shift in the regional balance of power was accompanied by the dynamic evolution of Japanese democracy, which is examined in the last thematic block. Jinghao Zhou compares the practice of Confucianism in China and Japan. He concludes that while the Chinese Communist Party has used Confucianism to justify its legitimacy,

the Japanese version of Confucianism has served to support democratization, maintaining harmonious social order, and enhancing the free-market oriented economy. Sylwia Łagnowska analyzes the evolution of hereditary parliamentarism in Japan. She links the existence of political dynasties in that country not only to institutional factors, such as the electoral system that was changed in 1994, but also to cultural and historical determinants. Karol Żakowski, in turn, examines the growing importance of political and prime ministerial leadership in Japan. As he emphasizes, while the former concept was aimed at redressing the collusion between the dominant party and civil servants, the latter's goal was to impose top-down leadership both on the bureaucrats and the Liberal Democratic Party backbenchers. The three papers draw attention to the fact that Japanese liberal democracy has been heavily influenced by Asian values.

While the book chapters touch upon diverse problems, they all illustrate the dynamic changes that occurred on the Asian continent in recent decades. By describing different dimensions of the politics, foreign policies, societies, and economics of Asian countries, they contribute to a better understanding of the complex mosaic of the intertwining interests of global and local powers in the region.



# **The Western Powers' Changing Position in Asia**



**David Jervis**

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# A Review and Evaluation of Recent Scholarship on America's War in Vietnam

## Abstract

*This review examines three recently-published books about the Vietnam War: Max Hastings, Vietnam: An Epic Tragedy, 1945-1975, Max Boot, The Road Not Taken: Edward Lansdale and the American Tragedy in Vietnam, and Brian Van-DeMark, Road to Disaster: A New History of America's Descent into Vietnam. As indicated by the books' titles, they all depict the war as a "tragedy," "a disaster," etc. The review will detail their explanations for the Vietnam tragedy and evaluate the alternatives they suggest.*

**Keywords:** *Vietnam War, Edward Lansdale, decision-making theories, counterinsurgency*

## 1. Introduction

This reviewer has studied America's failed responses to political violence in the non-Western world for more than thirty years. The experience in Vietnam is an essential case and, nearing the end of his career, he wanted to read recent books about Vietnam to remind himself of the course of the war and new interpretations of it. Revisiting the Vietnam era may also provide greater understanding of more recent events in Afghanistan and Iraq, where the United States also failed in its efforts to respond militarily to political violence.

Three books will be examined. One, Max Boot's *Vietnam: An Epic Tragedy, 1945–1975* (William Collins, 2018) chronicles the entire period from the end of World War II until the final unification of the country in

1975. The other two concentrate on the crucial decade of the 1960s. Brian VanDeMark, in his *Road to Disaster: A New History of America's Descent into Vietnam* (Custom House, 2018), focuses on Washington and the decisions of the John Kennedy and Lyndon Johnson administrations to, first, send military advisers to South Vietnam and then ever larger numbers of U.S. combat troops. Max Boot's biography of Edward Lansdale, *The Road Not Taken: Edward Lansdale and the American Tragedy in Vietnam* (Liveright, 2018), focuses on Vietnam through the eyes of Lansdale, an active proponent of the "other war," that is, to place greater emphasis on political efforts to win the support of the South Vietnamese people rather than traditional military strategies to kill the government's enemies.

Four sections follow. The first examines widespread American attitudes and beliefs that the authors believe contributed to its failures. The second section examines Lansdale and proposed policies that reflected very different attitudes, while the third examines decision-making patterns in Washington that worked against policy change. The fourth section directs our attention to the governments in North and South Vietnam and to the ordinary people affected by decisions in Washington, Saigon, and Hanoi.

## 2. Counterproductive American Attitudes

Each of these books illustrates widespread American attitudes that contributed to its failure in Vietnam – ignorance, arrogance, indifference to the Vietnamese, and overemphasis on military power.

### *a. Ignorance Compounded by Arrogance*

As Washington moved increasingly toward greater military involvement in the 1960s, American officials knew little of Vietnam, the nature of the war there, or their adversaries. Kennedy administration officials – most of whom stayed on into the early Johnson years – “possessed scant knowledge and even less understanding of Southeast Asian history, language, and culture” (VanDeMark, 2018, p. 131). The State Department did not train any Vietnamese-speaking foreign service officers until the mid-1960s. Those in the country were typically French speakers, who might be able to interact with urban elites, but not the great mass of the Vietnamese peasants. For example, when the “Buddhist crisis” broke out

in 1963, the administration had no comprehension of what was happening. One NSC official lamented, "We didn't know who [the Buddhists] were, we didn't have... the faintest idea what their organization was all about." As VanDeMark notes, "In a country populated mostly by Buddhists, this admission revealed a great deal about what America did not know about Vietnam" (VanDeMark, 2018, p. 159).

There was also a lack of understanding of the nature of the war the U.S. was fighting. American military leaders consistently employed the tactics that had prevailed in previous wars, i.e. mass firepower to destroy the enemy, rather than counterinsurgency efforts of the sort necessary in Vietnam. In 1961, only three members of the military's advisory mission in Vietnam were trained in guerilla warfare operations. One general later lamented that the military's "'reservoir of ignorance' about counterinsurgency was almost unlimited" (quoted in VanDeMark, 2018, p. 150). Robert McNamara, the Secretary of Defense, later acknowledged – in an assertion that could also have described himself and many in Washington – that the military "didn't speak the language, they didn't know the values, the culture, the habits of thought" of the Vietnamese, meaning that "the great majority of them were not competent to judge progress other than in terms they normally examined military operations" (quoted in VanDeMark, 2018, p. 150).

Finally, Americans knew little of their adversary. The CIA director, Richard Helms, later wrote that "Within the Agency, our failure to penetrate the North Vietnamese government was the single most frustrating aspect of those years. We could not determine what was going on at the highest levels of Ho's government, nor could we learn how policy was made or who was making it" (quoted in VanDeMark, 2018, p. 324). It had no agents in North Vietnam and had not even developed a model of the North Vietnamese leadership structure until 1969.

Americans' ignorance was compounded by their arrogance. While it might seem likely that replacing the French after the 1954 Geneva Accords would result in the same result for the Americans as it had for the French, few Americans would agree. Rather, "France was a washed-up colonial power scheming to recapture yesterday's glory... The United States, on the other hand, was a great power that had championed democracy and sought no territorial gains... France had sought geographical conquest; the United States sought to rescue a beleaguered people from tyranny" (VanDeMark, 2018, p. 123). In practice, however, the Americans "were



bent upon conducting a war in exactly the style of colonialist governments through the ages" (Hastings, 2018, p. 181).

Another manifestation of American arrogance: there were few doubters at the outset in Washington or Vietnam about the power and ability of the United States to achieve its goals. In Washington, Secretary of State Dean Rusk wondered, "How can Hanoi stand up to us when we have just made Khrushchev back down" in the Cuban Missile Crisis. In Vietnam, Philip Caputo, who later wrote a best-selling book criticizing the war, described his thinking at the outset of his tour: "If [Kennedy] was the King of Camelot, then we were his knights and Vietnam our crusade. There was nothing we could not do because we were Americans, and for the same reason, whatever we did was right" (Rusk quoted in VanDeMark, 2018, p. 209; Caputo quoted in Hastings, 2018, p. 213).

### *b. Indifference to Vietnamese Allies*

In addition to their ignorance about the Vietnamese, Americans were indifferent to the interests of their Vietnamese allies: an "extraordinary aspect of the decision-making in Washington between 1961 and 1975 was that Vietnamese were seldom if ever allowed to intrude upon it. Successive administrations ignored any claims by the people who inhabited the battlefields to a voice in determining their own fate..." (Hastings, 2018, p. 121). U.S. officials acknowledged this; John McNaughton, an aide to McNamara, calculated America's interests in Vietnam to be "70 percent to avoid a humiliating defeat (to our reputation as a guarantor) – 20 percent to keep South Vietnam (and the adjacent territory) from Chinese hands – 10 percent to permit the people of South Vietnam to enjoy a better, freer way of life" (quoted in Hastings, 2018, p. 176).

This indifference is best illustrated by examining two crucial U.S. decisions regarding the future of the South Vietnamese government: the November 1963 coup vs. Ngo Dinh Diem and the deliberations about the Paris Peace Accords that ended the American involvement. Diem had been an American ally for nearly a decade, but by 1963 his intransigence and excessive reliance on his family had led some in Washington to view him as an obstacle to successful prosecution of the war, and they argued that he should be removed by the South Vietnamese military. One such advocate was the American ambassador in Saigon, Henry Cabot Lodge, who argued, "I don't think we ought to take this government seriously.

There is simply no one who can do anything. We have to do what we think we ought to do regardless... As we move ahead on a new phase, we have the right and duty to do certain things with or without the government's approval" (quoted in Hastings, 2018, p. 223). Kennedy decided to endorse the coup, Diem was removed from power, and he and his brother were shot by the South Vietnamese military. Kennedy later acknowledged the crucial American role, writing a private memo to himself that, "I feel we must bear a good deal of responsibility" for the coup (quoted in Boot, 2018, p. xxxvii). However, events were soon to prove that Diem's successors were worse than he was – less competent, more corrupt, and constantly scheming against each other. In the nineteen months following Diem's removal, between November 1963 and July 1965, there were ten different South Vietnamese governments.

Roughly a decade later, Americans were secretly negotiating with the North Vietnamese about an end to the American combat involvement, if not an end to the war. The South Vietnamese, whose future was being negotiated, were not directly involved in these talks and were given less than complete information about them. As the talks developed, the Americans made a major concession: they would agree to withdraw their troops from South Vietnam, but not insist that the North Vietnamese withdraw theirs. This concession made South Vietnam's future problematic. Even worse, the Nixon administration "made plain to both Moscow and Beijing that it had no private expectations the North Vietnamese would honor the terms of the settlement; it merely wanted their autograph on the paperwork" (Hastings, 2018, p. 557). What the administration needed was a period of time, a "decent interval," between the time of the withdrawal of American combat troops and the ultimate fall of South Vietnam.

Indifference to the locals also characterized American soldiers serving in the country, many of whom "departed without holding any more meaningful intercourse with the inhabitants than a haggle about the price of sex" (Hastings, 2018, p. 119). In an extraordinary example of indifference, William Westmoreland, U.S. military commander in the mid to late-1960s, argued that the haggling was actually one of the reasons why U.S. soldiers were better liked than their French predecessors: "when the French wanted a woman they simply grabbed her off the streets and went to bed with her," but "when an American soldier wants a woman he pays for her" (quoted in Boot, 2018, p. 430).

*c. Great Reliance on Military Remedies*

America emphasized military tactics from the very beginning of its involvement in South Vietnam; by the late 1950s, 90% of US aid was going to military purposes. By the end of the war, the U.S. had spent sixteen times as much on military efforts as pacification. The amount of firepower used by American forces is truly astounding. The U.S. fired an average of more than eight hundred tons of bombs, rockets and missiles every day and in total fired nearly seven million tons of bombs, three times what it had used in World War II and thirteen times what it had dropped in the Korean War. Such bombing did inflict great damage on North Vietnam, \$2.1 billion in 2018 dollars, but it cost the U.S. \$6.4 billion to do so.

There were also, of course, human consequences of the military effort. VanDeMark has estimated that North Vietnam suffered 58 times the number of war related deaths as the U.S. (one million North Vietnamese deaths from a population of fifty million vs. 58,000 American deaths in a total population of 200 million). In South Vietnam, where most of the ground fighting took place, as many as 75,000 South Vietnamese non-combatants were killed or wounded each year in the war's later years. This was a "problem," admitted Westmoreland, but "it does deprive the enemy of population, doesn't it" (quoted in Hastings, 2018, p. 279).

To give one local example of the extent and the impact of America's use of military power, consider Operation Benton, a two-week August 1967 search and destroy mission in South Vietnam. In a small area, six miles by thirteen miles, 282 tons of bombs and 116 tons of napalm were dropped and 1,000 rockets were fired. At the end of the two-week mission, it was reported that 397 North Vietnamese were killed and 640 South Vietnamese had become refugees. "Such a fortnight's work," Hastings argues, "may be deemed representative" (pp. 643–644).

Critics of the U.S. military effort argued that it should have done more, e.g., broadening the range of bombing targets in North Vietnam, ground action and more extensive bombing in Laos and Cambodia, or even using atomic weapons. There were reports that Johnson and members of the Joint Chiefs of Staff had considered the use of atomic weapons in response to the North Vietnamese siege of Khe Sanh during the Tet Offensive. When these speculations became public, it was claimed that there had been no intention to use atomic weapons, merely an effort to keep the North Vietnamese guessing. There was, however, no denying the proposal of the Air Force chief of staff, Curtis LeMay, who wrote in his

memoirs that, "My solution... would be to tell [the North Vietnamese] frankly that they've got to draw in their horns and stop their aggression, or we're going to bomb them back into the Stone Age" (quoted in Hastings, 2018, p. 283).

### 3. Edward Lansdale: The Road Not Taken

Edward Lansdale's proposed, but rejected, approach might have been a way to counteract these attitudes. Lansdale served in the CIA and later the Air Force and was at various times an advisor to the Filipino and South Vietnamese governments. "Among twentieth-century advisers," according to his biographer, Max Boot, "his influence was rivaled only by that of T.E. Lawrence, and his example is arguably more important for the present day because, while 'Lawrence of Arabia' was an insurgent, Lansdale was a counterinsurgent par excellence" (pp. xlv–xlvi). If, in practice, American efforts were characterized by ignorance and indifference to the Vietnamese, "Lansdalism" could be characterized by "3 L's," like, learn, and listen. He recognized that military action was necessary to defeat insurgents, but he stressed the importance of political solutions to the communist challenge. As he wrote after he had left the government, it would be "Damn hard for guerillas to get people to help them throw down a government that people feel is their own." Instead in Vietnam, the U.S. "mostly sought to destroy enemy forces" (quoted in Boot, p. 599). In light of these beliefs, as an advisor Lansdale sought to strengthen embattled governments, generate popular loyalty, and promote stability.

His initial success came in the Philippines where, as a close adviser to Ramon Magsaysay, defense minister and later president, he promoted military and political reform and efforts to reduce corruption to win the "hearts and minds" of the Filipino people and defeat the Huk insurgency. These efforts were successful, and by 1953–54, the Philippines "had become one of the few places in the postwar world where a major communist uprising was defeated without intervention by foreign troops, as in Malaya, or, without a bloodbath as in Indonesia or Guatemala." This success was accomplished largely by Lansdale's "deft manipulation of local politics rather than through costly American spending or heavy-handed American military action" (Boot, 2018, p. 168).

Lansdale's success in the Philippines led the U.S. government to assign him to Vietnam, but the situation there was much more chaotic and

threatening. With the departure of French colonial forces in the spring and summer of 1954, there was a need to establish a new government capable and strong enough to resist the communist challenge domestically and from North Vietnam. Lansdale served as advisor to the new president, Diem, and advocated many of the types of policies that had worked in the Philippines. He worked to befriend and advise Diem as he had Magsaysay – with less success – facilitated the movement of a million Catholics from northern to southern Vietnam to support Diem’s Catholic-based regime, urged Diem to become more visible in the countryside to generate popular support, and initiated a program to bring medical care to those areas recently vacated by the guerillas.

Diem was much more difficult to work with than Magsaysay had been, however, and he quickly developed enemies in Saigon and Washington who sought his removal. Lansdale consistently advocated for the South Vietnamese leader. He intervened in Washington during a Spring 1955 coup attempt when many, including the American ambassador, J. Lawton Collins, urged the U.S. to abandon Diem. Lansdale’s intervention was “the largest single influence on deliberations in Washington at the most critical point of Diem’s tenure before 1963,” according to a CIA history (quoted in Boot, 2018, p. 275). The mention of 1963 is important because that was the year the U.S. did endorse a military coup against Diem. Lansdale had left South Vietnam by that time, but he disapproved of the proposed coup. Americans were “trying to play God, by trying to pick a leader for Vietnam.” He acknowledged that Diem had his faults, but he was better than any who might replace him. Lansdale defended this position years later, writing, “It was morally wrong and strategically stupid to divide our political base in Vietnam when that political base, small as it was, was facing an energetic and exploitative enemy” (quoted in Boot, 2018, pp. 407, 415).

As Lansdale had predicted, the situation in South Vietnam became more chaotic following Diem’s removal and the position of communist insurgents became stronger. The U.S. began to place greater emphasis on military responses to this threat, sending more troops to South Vietnam and bombing North Vietnam. Lansdale believed this was a mistake; he wrote in 1964 that the communist danger would be present “even if South Vietnam were isolated completely from North Vietnam or outside Communist help.” There was no need to expand the military mission: “Overt U.S. intervention against North Vietnam or Cambodia is neither necessary nor appropriate.” There was also no need to increase the num-

ber of U.S. troops above the existing 20,000: existing resources “should be more than sufficient to cope with most military aspects of the Vietnamese insurgency” (quoted in Boot, 2018, pp. 436–437). By this time, however, Lansdale’s influence was very modest and his suggestions were ignored.

Would “Lansdalism” have worked in Vietnam? Boot is not sure, but “...at the very least the war’s loss would have been less painful all around if Lansdale’s advice had been heeded” and his approach, “successful or not, would have been more humane and less costly” (Boot, 2018, p. 574). But what about the question of the utility of Lansdale’s approach? Was the success in the Philippines the creation of what could have been a new rule for American foreign policy or was it an exception? Lansdale’s project in the Philippines had a number of advantages that did not exist in Vietnam: the United States was well-liked, while in Vietnam, many viewed it as simply replacing the French. There was a good, non-corrupt leader who was willing to follow Lansdale’s advice. That is, both a good leader and a good advisor were crucial to success there, a fact demonstrated by events in the Philippines in a few short years following Magsaysay’s death in 1957: “Everything that Lansdale and Magsaysay had strived to achieve by making the government more honest and accountable was unraveling” (Boot, 2018, p. 309). Perhaps Diem might have developed into a “good leader” with Lansdale’s advice, but, given his secrecy, his nationalism, and the adverse influence of his family, one must wonder. Moreover, the North Vietnamese/Viet Cong were a much more potent foe than were the Huks. They had experience against the French, a ready sanctuary in North Vietnam, and support from the Soviet Union and China.

#### 4. Decision-Making in Washington

If Boot suggests how things might have been different in Vietnam, VanDeMark’s book suggests why they would not have been different in Washington. Using new research in decision-making and cognitive psychology, he tries to understand and explain “an unnerving puzzle”: why the decision-makers of the Kennedy and Johnson administrations, “extraordinarily bright and able” men, made decisions about Vietnam that “make them appear blind, slow, and altogether inadequate in dealing with the problems that inflicted terrible suffering on millions of people” (VanDeMark, 2018, p. xiii).

He begins, perhaps surprisingly, with America's policy toward Cuba, which seemed a much more dangerous threat at the outset of the Kennedy years than Vietnam. The disastrous Bay of Pigs invasion of April 1961 taught Kennedy not to rely on perceived experts, especially in the military and intelligence communities, and to make his own judgements. In the Missile Crisis of October 1962, Kennedy was eventually able to put himself in the shoes of his adversary, Soviet leader Nikita Khrushchev, to understand the issue from his perspective, and to stumble upon a mutually agreeable outcome. While VanDeMark suggests these events were relevant to subsequent Vietnam decision-making, it seems more likely that they were not precedent-setting but exceptional, i.e., the Johnson administration relied heavily on military advisers – although more because it feared the domestic political consequences of not doing so than their purported expertise – and was never able to understand the tenacity or goals of their North Vietnamese adversaries.

With respect to Vietnam, VanDeMark identifies a number of political, psychological, and decision-making dynamics that lead all humans, including decision-makers, to make the decisions they do: efforts to try to fit new facts into preconceived beliefs, rejecting information that contradicts prevailing beliefs, failure to conceptualize the long-term consequences of short-term decisions, risks of sunk costs, and domestic political pressures. Two will be discussed here, domestic political pressures and the perils of short-term thinking.

Domestic political pressures were central in the calculations of President Kennedy and, especially, President Johnson. Both were Democrats and could recall how President Harry Truman, another Democrat, had been tormented about the alleged loss of China barely more than a decade previously. Kennedy, privately, considered withdrawing from Vietnam but reasoned that he could not do so before the 1964 presidential election. Johnson, who came to office after Kennedy's assassination, wanted to be remembered as a domestic reformer. He realized, however, that he would not win congressional approval for his Great Society measures if he did not persist in the war. As he later remarked, "I knew from the start that I was bound to be crucified either way I moved. If I left the woman I really loved – the Great Society – in order to get involved with that bitch of a war on the other side of the world, then I would lose everything at home" (quoted in Hastings, 2018, p. 170). Because the public was more hawkish on Vietnam than the administration throughout these years, it



would be very difficult politically to reduce the American effort, much less to withdraw. Johnson reasoned that the loss of South Vietnam would have greater domestic consequences than sending combat troops, so he first sent troops in 1965 and more and more in subsequent years.

Many decisions were made as short-term fixes to problems without recognizing their long-term consequences. Johnson had resisted pressure to continuously bomb North Vietnam for most of 1964. One way he did so was by tasking the military to plan an air campaign, but that planning served to increase pressure to actually initiate an air campaign. While political instability in Saigon had previously been a reason not to bomb the north, by 1965 political instability in the south was a reason to bomb the north, trying to dissuade it from sending supplies to the south. In fact, it had the opposite effect as the North Vietnamese now saw little reason not to aid the south, since the Americans were now committed to attacking North Vietnam, further increasing the risk to Saigon. Moreover, the stationing of American planes in South Vietnam led directly to the dispatch of the first combat troops, because the Americans had no faith that the South Vietnamese army could protect them. Of course, the initial failure of bombing and troops to solve the problem in South Vietnam and the sunk costs in American commitments and American lives resulting from those decisions, increased pressure to do more bombing and send more troops.

Reading VanDeMark's book, there seems to be a certain inevitability to the growing American involvement in Vietnam: "Hubris certainly played a part. But it did so in concert with miscalculation that grew out of ignorance, blindness, pressure, fear, and wishful thinking" and "[o]nce ensnared, Kennedy, Johnson, and their advisors found it difficult to escape; the contours that they established entrapped them." Given this, "Whether anyone might have done better than they is arguable, given the times in which they lived and the pressures they confronted" (VanDeMark, 2018, pp. 114–115). This seems like an apology to this reviewer, although to be fair to the author, he does note that this context "does not absolve Kennedy, Johnson, and their advisors of responsibility for their decisions..." (VanDeMark, 2018, p. 115).

While decision-makers were forced to deal with various psychological and decision-making dynamics that limited their imaginations and shaped their decisions, they were still intelligent human beings who could have decided differently. Consider the crucial decision about sending



combat troops. Kennedy had avoided sending troops throughout his presidency and VanDeMark quotes his advisors who doubt he would have done so in 1964 or 1965. As Kennedy said in his last public comments about Vietnam, while the U.S. would not “give up” in South Vietnam, “I don’t want the United States to have to put troops there” (quoted in VanDeMark, 2018, p. 201). It was Johnson, admittedly eighteen months later and facing a more serious challenge, who made the decision to send U.S. combat troops. Kennedy, if you believe some of his closest advisors, would not have sent troops, but Johnson did. That is, America’s descent into Vietnam was not inevitable and while there were pressures to do so, these could have been resisted by determined leaders.

## 5. Hastings and Additional Perspectives on the Vietnam War

While Boot and VanDeMark concentrate on Washington and American policy decisions, a complete understanding of the Vietnam War era requires awareness of many additional perspectives. Max Hastings *Vietnam* does this. Not ignoring upper-level officials, he prefers to focus on the “many individuals, Vietnamese and American, of all ages and both sexes, military and civilian [who] behaved decently.” This is necessary, because “it is mistaken to allow virtuous endeavor to vanish into the cauldron of bomb blasts, brutalities and betrayals from which most accounts of the war are served up” (Hastings, 2018, p. xxiv). He provides details about the experiences of military personnel, individual soldiers on both sides, Soviet and Chinese technicians aiding their Vietnamese allies, and American pilots and the North Vietnamese anti-aircraft personnel. Also included are stories of American and Vietnamese civilians who were affected by the war, including South Vietnamese peasants and U.S. college students. Finally, Hastings examines the experiences of those who fought on the winning side upon their return to North Vietnam.

Another important perspective that Hastings adds is that of North Vietnamese decision-makers. As in the U.S., there were personal, political, and policy differences within the leadership. By the early 1960s, Le Duan had emerged victorious in the leadership struggle, superseding Ho Chi Minh. This was a crucial point in the war because Le, a native southerner, placed much greater emphasis on unifying the country via military action than Ho, who wanted to concentrate on strengthening the north and

eventual peaceful unification. Like the Americans, the North Vietnamese leadership also made a number of mistakes. One was a land reform program in the late 1950s that was both excessively brutal and destroyed the prevailing agricultural economy. Another mistake, more relevant to the war, was Le's continuing faith that a popular uprising in the south would follow a major North Vietnamese/Viet Cong military offensive. The most dramatic example of the adverse consequences of this belief followed the 1968 Tet Offensive, when much of the communist underground network in the south was exposed. A final similarity with the Americans was that the North Vietnamese leadership did not care a lot about the Vietnamese people, in this case, their own people. While the number of North Vietnamese who died as a consequence of the war with the South will probably never be known, a statement attributed to Vo Nguyen Giap, an important military leader in the fight against the French and the Americans, suggests indifference: "Every minute, hundreds of people die upon this earth. The life or death of a hundred, a thousand, tens of thousands of human beings, even our compatriots, means little" (quoted in Boot, 2018, pp. 11–12).

## 6. Conclusion

The words "disaster" or "tragedy" appear in the titles of each of these books, and they all present evidence to justify that depiction. They also demonstrate that the tragedy may have been inevitable, given America's goal of preventing communist advances in Asia, North Vietnam's commitment to unifying the country – by force if necessary – the American military's use of extensive firepower to attrite the enemy, and both sides' indifference to ordinary Vietnamese. Those realities suggest that there will be more Vietnam-era books written in the future, and this reviewer looks forward to reading them.

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# A Case Study of the Fulbright Program in Korea

## Abstract

*The U.S. Fulbright Program, the flagship of international educational exchange programs in the world, was established in 1946, after the devastation of World War II. It aimed for an innovative, peaceful world. The Republic of Korea was one of the first twenty signatory countries, where the US war surplus was used to fund the bilateral academic/cultural exchanges. This article reviews the history of the US-ROK agreement, including: funding, the Board, programs, and its evolvement over the past 60 years. This research discovered some unique aspects in Korean Fulbright which adapted to the local needs for national development.*

**Keywords:** *Fulbright Program, Republic of Korea, US-ROK relations*

## 1. Introduction

The Fulbright Program was established in 1946, initiated by U.S. Senator J. William Fulbright, and aimed to promote educational and cultural exchange and mutual understanding in the wake of the devastation of World War II. By 2019, there were more than 160 countries participating in these binational exchange programs. Among them, there are 49 Fulbright Programs administrated by binational commissions and the rest of the programs are run by American Embassies in host countries.

Korea signed the agreement with the U.S. on April 28, 1950. Unfortunately, the Korean War broke out and suspended the establishment of the Commission. On June 30, 1960, an amendment, which added a new source of funding from agricultural surplus sales, reactivated the

binational Agreement and accordingly established the United States Educational Commission in Korea (USEC/K).

The USEC/K was ultimately established “in the midst of the revolutionary changes in Korean politics,” (Shim et al., 2010) and its 60 years of history witnessed South Korea’s development from an under-developed, totalitarian regime to a developed and democratic country; and also from an aid receiver to a giver in the global society. “Fulbright Program played an important role in South Korea’s spectacular rise from the ashes of the Korean War to become the great success story it is today” (Shim et al., 2010).

In 2015, Korea claimed the biggest Fulbright program in the East Asia and Pacific area. In early times, Fulbright Korea’s funding was mainly dependent on U.S. government support. But, in 2018, the U.S. allocation was less than 24%. More than two-thirds, about 69%, of funding is from Korean central and local governments. Presumably, this reversal of contribution reflected policy changes of the two Governments.

With the recent development of internationalization and globalization in education, there has been a rapid rise in the interest in educational and cultural diplomacy in world politics. The confluence of educational exchange and public diplomacy has received much attention, and become a new focus for collaborative research. This case study is part of the author’s dissertation research which aims to explore the development and practices of the Fulbright program and to analyze the impact of international educational exchange. The research purpose is to identify some successful/effective practices that might help the host country to find a better strategy to use international educational exchange as a tool of public diplomacy.

## **2. The Fulbright Commission in Korea and Its Development**

### *a. Legal Charter: Agreements and Diplomatic Notes*

The initial binational “Agreement between the Government of the Republic of Korea and the Government of the United States of America for Financing Certain Educational Exchange Programs” was signed in Seoul on April 28, 1950. It was signed by the representative of the Republic of Korea, Foreign Minister Ben C. Limb and the U.S. Ambassador Everett

F. Drumright, and entered into force on the same day. The preamble says, it is “[d]esiring to promote future mutual understanding between the peoples of the United States of America and the Republic of Korea through educational contacts” (Limb & Drumright, 1950).

The first funds were set to be made available from the sale of the war surplus property and it was agreed to be a portion of the \$24 million owed to the U.S. government by the Korean government for loan repayment (Shim et al., 2010). Unfortunately, North Korea launched a surprise attack on the South and the outbreak of the Korean War delayed the formation of the binational commission to execute the agreement of the exchange program.

Ten years later, on June 30, 1960, through an exchange of diplomatic notes between the U.S. Ambassador to Korea and Korea’s Minister of Foreign Affairs, an amendment reactivated the 1950 Fulbright Agreement with new funding coming from the sale of Surplus Agricultural Commodities, an Agreement the U.S. and Korea signed on May 31, 1955. This provided the program with access to \$900,000 (U.S. currency). An authorized commission, the United States Educational Commission in Korea (USEC/K), was finally “officially established” (Shim et al., 2010) on September 1, 1960, in Seoul.

Later, on June 18, 1963, a new binational agreement based on the Fulbright-Hays Act of 1961 was signed by the two Governments. The “Agreement Between the Government of the Republic of the Korea and the Government of the United States of America for Financing Certain Educational Exchange Programs” was signed by Korean Foreign Minister Yong Shik Kim and American Ambassador Samuel D. Berger.

The 1963 Agreement superseded the 1950 Agreement, as amended. It regulated that the Commission’s annual budget shall “be approved” (in Article 3) and annual report “be accepted in form and content” (in Article 6) by the U.S. Secretary of State (Kim and Berger, 1963). Later on July 10, 1972, an amendment was made to “replace” the Commission with the name of “Korean-American Educational Commission,” a name more fairly reflecting the original idea of a binational scheme, and to enlarge the Board to ten members. This is the current legal charter that guides the KAEC, as there have been no further updated agreements or amendments. While the agreement is outdated, no one on the Board seem interested in trying to change it, commented Jai Ok Shim, former Executive Director of Fulbright Korea (Shim, 2019). Likewise, the legal charter of Fulbright Taiwan is dated 1964.

### *b. Governance: The Board of Directors*

The first Board of USEC/K was made up of eight members, with four representatives from each country. The Commission was officially established on September 1, 1960, with space provided in the cultural affairs office of the U.S. Embassy. In contrast, the earlier reactivated program in Taiwan in 1957 initially and deliberately separated the Fulbright commission, the United States Educational Foundation in the Republic of China (USEF/C), from the U.S. Embassy, but subsequently an arrangement similar to Korea was made for the USEF/C's office quarters. This special arrangement signaled a high-profile connection with the U.S. Embassy/Government.

Ko Kwang Man was appointed as the first Executive Director of the Commission. The first American Fulbright scholar Belle Boone Beard, Professor of Sociology at Sweet Briar College, arrived in South Korea on April 14, 1961. The Fulbright Program had finally started in South Korea after a decade of delay.

Though the Korean Peninsula was divided into South and North at the time when the Commission was established in 1960, the two Governments agreed to keep the name of the Commission stated in the 1950 Agreement, USEC/K. In contrast, the reactivation of China's Fulbright Program in 1957 in Taipei "renamed" the Commission to the "U.S. Educational Foundation in the Republic of China." It took into special consideration that the R.O.C's jurisdiction did not reach mainland China, which was ruled under the People's Republic of China.

Basically, the format and architecture of the Board was set up in the 1950 Agreement, except later it was enlarged to ten members. The U.S. "Chief of Mission" shall be Honorary Chairman of the Commission, s/he has the deciding vote in the event of a tie vote, and shall appoint the Chairman of the Commission. It is the Chief of Mission who has the power to appoint and remove the citizens of the U.S. on the Commission, and at least two are from the U.S. Foreign Service in Korea. Board members serve without compensation, and this is the same for all the other worldwide Fulbright Commissions.

In terms of chairmanship, up to 2018, only once was a Korean from the Bureau of International Education Cooperation appointed as Chairman of the Board. However, he later resigned, mainly because the Board meetings proceeded in English and he could not handle the agenda properly and effectively (Shim, 2019). Besides that, only Public Affairs Officers of the American Embassy have served as the KAEC Board Chair.

The Fulbright Commission is formed in a binational format, but its decision-making body “the Board” conducts its business only in English at the Board meeting. To some degree, the language barrier may make the local Board members inferior to Americans. This is one of the mechanical design in favor of the U.S.; binational does not necessary means an equality of treatment/stance.

### *c. Funding*

As one of the early signatories, the U.S.–ROK binational agreement was based on the War Surplus Property Act of 1944, as amended by the U.S. Public Law 79-584 which is known as the Fulbright Act. In the 1950 Agreement, the initial funding for the Fulbright Program in Korea was agreed up to an aggregate amount equivalent to \$2,000,000 (U.S. currency) provided for the purpose of financing certain educational exchanges, but it should not exceed \$400,000 (U.S. currency) in any single year. Hence, it seemed that funding would be exhausted in about five-years.

Due to the Korean War, the Fulbright Commission in Korea was not started until 1960 after the two Governments agreed to modify the 1950 Agreement. A new paragraph for funding was added to the preamble as follows:

Considering that funds provided for under the present agreement have not been made available for such educational programs and that the Government of the United States of America and the Government of the Republic of Korea desire to establish certain educational activities with funds in the currency of Korea that become available from additional sources for expenditure by the United States for such purposes (Chung & McCanughey, 1960).

The amendment gave the program access to \$900,000 (U.S. currency) made available as a result of the agreement of the Surplus Agricultural Commodities Agreements signed May 31, 1955, between the two Governments regarding funds and repayments related to the American Agricultural Trade Development and Assistance Act, or the Food for Peace Act. It started in the first year with an amount equivalent to \$150,000 for 1961–62 and \$200,000 for 1962–63 (Shim et al., 2010).

Throughout the 1960s, Fulbright in Korea was almost exclusively funded by the U.S. government as part of its development assistance (Shim et al., 2010). While facing significant U.S. budget cuts in 1968 and 1969, the difficulty was solved by cost-sharing with local institutions



paying a regular salary to grantees and the Commission paying the difference. Later, a standing committee was appointed by the Board, on March 10, 1970, to look for new sources of money and to explore new ideas for generating funds for appropriate programs within the “Korean context” (Shim et al., 2010). Again, a “budget crisis of sorts at Fulbright” (Shim et al., 2010) occurred in the 1990s, which resulted in the creation of user fee charges for student counseling.

Fulbright Korea began on the basis of U.S. government funding, but over the years the Korean government’s contribution to the program has equaled, and in some cases exceeded, that of the American government. Non-governmental sources of funding, such as ETS (Educational Testing Service), played a key role in the growth of Fulbright Korea. The purchase of the Fulbright Building in 1999, dedicated in January 2000, involved one hundred percent Korean funding as the U.S. government opposed its Fulbright fund being used on a property purchase.

Once only a five-year financial plan for the U.S. government to support educational exchange between the U.S. and ROK, it has now been running for 60 years and keeps growing. There was a role shift between two Governments as funding sources changed. In the early years, “the U.S. government exerted a great deal of influence on the program. However, as time went on, the government of Korea came to play a more active role... [Since], the Fulbright agreement was amended to ‘balance the role of the Commission between the two countries’” (Shim et al., 2010). By its 60<sup>th</sup> anniversary in 2010, the Korean Government was contributing 40% of the budget to the Fulbright program in Korea. In 2018, the Korean Government contributed about 69% of the US\$9 million annual budget.

#### *d. Leadership*

Since its first establishment in 1960, the Fulbright Korea Commission had experienced 8 changes of leadership, and a total of 9 executive directors served from 1960 to 2018. Only two of them were Korean. The recently retired Korean Executive Director, Mrs. Shim, served the longest time, from 2004 till August 2019, and became the first woman and only the second Korean to hold the post of ED. She first joined Fulbright Korea as an administrative officer in 1977, serving in Fulbright Korea for 40+ years, from administrative officer, to deputy, to ED. She set an exceptional example in service to Fulbright Commissions worldwide.

### 3. Programs and Their Evolution

In the first decade, Fulbright Korea focused on development, military, and security. The next decade, the 1970s, the focus was moved from development to rapid industrialization, and devoted to “the study of man in a rapidly industrializing society” (Shim et al., 2010). Social sciences and humanities were two major focuses, followed by the arts, and among others, business administration was dropped. From 1984 to 2007, grants were given only in the humanities, fine arts, and social sciences (including business). Grants for natural sciences and engineering were available in earlier times and are again now.

American Studies in Korea was first encouraged in the 1960s, but failed (Shim et al., 2010). Later, in the 1980s, Korean Studies in the U.S. and American Studies in Korea became major focuses and made an exceptional advance among other subject fields. However, there is a “paucity” of American studies programs at Korean universities, and the applicant pool in American studies in Korea has declined over recent years. Thus, some flexibility or exceptions in selection have been taken into consideration (KAEC, 2018). This is an unusual measure for this merit-based program. However, KAEC noted that there has been a surprising development of the growth of Korean studies programs at U.S. universities in the past twenty years.

The newly created English Teaching Assistant (ETA) program started in 1992 when “KAEC and the Republic of Korea’s Ministry of Education (MOE) agreed to collaborate in providing a new type of opportunity in Korea...” (Shim et al., 2010). That memo specifies that up to 12 American students would spend one or more years in Korea as English language teaching assistants in Korean primary and middle schools. With a focus on cultural exchange, a maximum of 12 hours co-teaching was expected per week, and they were encouraged to learn Korean language, take up independent study, etc. In 2008, Korea claimed the largest ETA program in the world (Shim et al., 2010). There are some special/unique features of Korea’s ETA program that differ from the practice in other Commissions, such as: 1) about one-third are 2<sup>nd</sup> year, and even 3<sup>rd</sup> year; 2) the placements are from elementary school to secondary and tertiary; and 3) more placements in secondary than elementary schools. For example, in 2018, there were 116 ETAs of whom 80 are newcomers, 36 are renewals for a second or third year, and 87 serve in secondary schools compared with 25 in elementary school and 4 in universities.

In 2015, Fulbright Korea became the largest program in the East Asia and Pacific area, with a total two-way-flow of 264 grantees, followed by Indonesia's 248. On aggregate, between 1949 and 2016, there have been a total of 5797 Korean Fulbrighters with 2842 Americans and 2955 Koreans that have benefited from this program (FFSB, 2018).

In terms of direction of flow of people, in the early days it was more from Korea to the U.S., not U.S. to Korea. Senator Fulbright once suggested that the purpose of the program was "less to educate outsiders than to educate Americans about the outside world" (Shim et al., 2010), and one way to accomplish this purpose was to have foreign students come to the U.S. for study. Nevertheless, from Korea's perspective, the Fulbright Program early on was directed more toward educating Koreans about America than educating Americans about Korea, since more Koreans went to the U.S. rather than the other way around (Shim et al., 2010). However, in 2018 there were 96 Korean grantees compared to 156 Americans. Considering a big portion of the American grantees are ETAs, 117 in total, the direction of people flow in higher educational interchange has changed. But, in the core programs, it is still true: more Koreans go to the U.S. than Americans to Korea.

## 4. Research Findings

In its 60 years of operation, the Fulbright Program in Korea has grown from 21 grantees a year in 1960 to 261 grantees in 2018. Up to now, about 6000 grantees have benefited from this two-way exchange program. If their families and contacts were included, one can envision the compound impact that was initiated by this cultural and educational exchange. As the KAEC's 2018 Report highlighted in Fulbright Korea's history, Korea was an undeveloped country ravaged by war when it first began to send and receive Fulbright grantees in 1960. The universities were weak, few professors held doctorates, and graduate education was almost nonexistent. Thus, one major part of Fulbright's purpose was to help rebuild Korea's intellectual human resources. American lecturers were needed in every field (KAEC, 2018).

Fulbright was there for all the years of Korea's modernization. It became an integral part of modern Korean history, "a direct reflection of the history of modern Korea..." (Shim et al., 2010). In the early years, the mission was seen as that of developing Korea's system of higher educa-

tion. An especially intertwined situation in Korea, returned grantees filled position after position in important offices in the Korean government, in the educational system, in the press, and in the professions of law and medicine. While the same might be said for several other countries, the relative effect of these newly-trained men and women on the somewhat inchoate world of Korean society was far greater than it could possibly have been in the more settled and trained societies of, for example, Japan or Germany (Shim et al., 2010).

This research finds continuity and change during KAEC's 60 years of operation; in particular, it has proved to be adaptive to Korean's local culture and government policies. Its purposes first served to help improve the quality of Korean's higher education system, then to cope with national development policy, to focus on long-term impact from cultural exchange, and finally the ETAs helped in Korea's English education at elementary and secondary schools.

#### *a. A Shift of Funding Resources*

The initial idea of the Fulbright Program was to make use of the local currency from War Surplus sales. Where there was no war surplus available, the Smith-Mundt Act of 1948 later authorized the U.S. State Department appropriations to carry out reciprocal interchanges of persons, knowledge, and skill with other countries. In Korea's case, while Fulbright was suspended between 1950 and 1960, there was about 500 "Smith-Mundt Grantees." After the reactivation of Fulbright in 1960, a new fund from the sale of agricultural surplus was made available for the Fulbright Program in South Korea. Later, based on the Fulbright-Hays Act of 1961, a new Agreement was signed between U.S. and ROK in 1963, and U.S. Government appropriations were promised to support this educational exchange program. But, matching funding from foreign countries was highly encouraged by the U.S. government, for it aimed toward a more legitimate "binational" level in this educational exchange program.

A turning point came at the time of a huge budget cut in the U.S. Government Fulbright Program in 1968 and 1969. According to a report in *The Korea Times*, the Fulbright Program was "in financial havoc," (quoted from Shim et al., 2010) and had reached extinction. While facing the first financial threat, the USEC/K Board "appointed a standing committee to look for new sources of money and to explore new ideas for generating

funds for appropriate programs within the Korean context" (Shim et al., 2010). As a result, the Korean Government's contributions to the KAEC grew from the first year of US\$7951 in 1971 to US\$39,369 in 1977, and later in 1983 reached US\$340,000, about 42% of annual budget.

But, the KAEC believed that if it only relied on governmental funds, the Program would have to be cut back. They found the local institutions' participation, such as paying a salary to grantees, kept the program alive. Finally, the acquisition of the Fulbright Building/House marked a new era for the KAEC. As the U.S. Government budget for Fulbright Program was not allowed to spend on property purchases, the Fulbright building was 100% Korean funded. Thus, the KAEC moved "from a fully funded development program of the U.S. government to a widely supported and substantially mature program of international educational exchange" (Shim et al., 2010).

As to the KAEC 2018 budget, it shows the Korean government contributed about 69% of funds for the core programs. However, the architecture of the Board, which is in favor of the U.S. side, has not changed since 1963. The Fulbright program worldwide, with 49 binational Commissions in operation, is seen as an American program/brand. This was understandable in the early times, when Korea and other Asian countries are under developed. A link with the more advanced U.S. was desirable for it received higher respect and privilege.

As to 2018, most of the EDs in the East Asia and Pacific were Americans, 4–5 out of 9, and the recruitment of EDs is mainly dominated by the U.S. mission. The mechanism of the Fulbright Program is designed to be operated by a binational agreement. Based on a spoke-hub paradigm, this might suggest giving weighting power to the U.S. and increasing its influence in policy making. In particular, the Obama U.S. government highlighted the importance of public diplomacy, and created a new Section of Study Abroad in the State Department. The performance of the Fulbright Program became a higher priority of the U.S. foreign service. It is in their interests to get involved in the operation and direction of its implementation; especially since the performance of the Fulbright Program is listed among the items of the performance evaluations of U.S. foreign service Public Affairs officers. This trend may also reflect pre-2016 U.S. foreign policy promoting soft power and public diplomacy.

In contrast, the Korean Government has been increasing its financial contributions to the KAEC, but it seems to enjoy being an invisible

supporter, hiding behind the scenes. Similarly, this seems to happen in the case of Fulbright Taiwan in the operation of the Commission and the Board. It will be interesting to find out if a Commission is operated differently in a place where the chairmanship is rotated between the two countries.

### *b. A Strong Support from Korean Alumni*

The idea of organizing Korean alumni “for financial support purposes” was first raised in 1983 at the Commission’s Board meeting. It was not until May 1987 that the Korea Fulbright Alumni Association (KFAA) was inaugurated, with a commemoration of the worldwide 40th anniversary of the Fulbright Program. More importantly, the KFAA not only plays a significant financial support role in the Program when it is in need, but also supports the program in other non-financial channels. Among many supports from Korean alumni, two significant events were the arrangement of Senator Fulbright’s first and only visit to the Korean Peninsula in September 1990 and the purchase of the Korea Building.

As in many countries, in Korea, Fulbright scholars have typically been represented prominently both in government and in academia. This matches Korea’s traditional *yangban* (“scholar official”) class, which explicitly linked scholarly achievement with public service. This may explain some of the successful initiatives in Fulbright Korea. An exceptional, unprecedented case in the worldwide Fulbright program is the purchase of the Fulbright Building.

Financially, it is openly recognized that Korea Fulbright Alumni Association played a significant role with their continued financial support (KAEC, 2018). Such as, a funding drive from Korean alumni for the purchase of the Fulbright Building. In recent years, an ETA Alumni Fund Grant was made possible by the donations from previous ETAs who created the Fulbright Korea Alumni Fund. It seems a spirit of generosity in giving and/or paying forward has spread among Korean alumni, and from Korean to American grantees. The new culture of an alumni society is created.

Furthermore, it is also the Korean alumni lobby that again and again successfully reinstated the Hubert H. Humphrey Fellowship program, administered by KAEC, after the program was first discontinued in 1995; since Korea graduated from underdeveloped country. This resumed program is to be ‘completely funded’ by the Korean government (KAEC, 2018).

This deserves special attention as the Humphrey program is for developing countries only.

The Fulbright Program in Korea is one of the biggest programs in the East Asia and Pacific. Some programs, such as North Korean Defectors English Educational Program and ETA Alumni Fund Grant, are financed by the donations of alumni. This is quite an unusual case in Fulbright Programs. Some other Commissions, such as Fulbright Austria, just recently have focused on alumni and hired a development officer. For Fulbright Taiwan, the alumni donations are almost zero.

### *c. A Stable Income Generated from ETS*

In the early days, KAEC generated its own income by providing an Educational Testing Service to cover its administrative costs. Recently, the ETS was discontinued and a new service of ACT was started in September 2018. This testing service has been administered since the establishment of USEC/K, and this service has generated income to support the Commission's administrative costs. In 2018, the ETS brought about US\$700,000 income a year, about 7% of annual revenue. This is unique since all the other Fulbright Commissions in the East Asia and Pacific area ended this service a long time ago. This reliable revenue also helped contribute to the fund for purchasing the Fulbright Building, which was dedicated in 2000 (Shim et al., 2010).

### *d. A Pioneer in ETA Programs*

In the region of Asia-Pacific, the ETA program was first started in Korea in 1992, based on an agreement between the KAEC and the ROK Ministry of Education (MOE) to collaborate in providing a new type of opportunity in Korea for younger American students who are either graduating seniors or recent college graduates. The ideas are: the KAEC will "manage" this program on behalf of the MOE, and the KAEC will create a new category of "Fulbright Graduate Intern" for ETA grantees, since this is not a study award *per se*.

This was initiated by the MOE representative member of the Board and approved by the Board meeting on February 1, 1991. The initial arrangement of the ETA program was: co-teaching with local Korean teachers in elementary and middle schools, focus on conversation, encourage



ETAs to learn Korean language, and live in a boarding house or with their host family. The ETA candidates must be unmarried, not over 30 years of age, and native English speakers.

The KAEC stated its long-term objectives: “the program, over a period of several years, would help to foster the development of a ‘critical mass’ of young Americans who would have a firsthand knowledge of Korea and at least some basic Korean language skills. With such qualifications, KAEC believed that these young Americans would be prepared to make more meaningful contributions to the development of U.S.-Korea relations throughout their future academic and professional careers.” As to the young Koreans, those “exposed to an American at an early age were likely to form a more objective impression of the U.S. than might be the case otherwise” (Shim et al., 2010).

This ETA program was later adopted by Fulbright Taiwan in 1995 and Indonesia in 2004. By 2018, the ETA program was active in 72 countries, and it is now the biggest and fastest growing Fulbright program in non-English speaking countries. Most importantly, it is mostly locally funded.

English education in Korea has a long history of more than a century; but it was not until 1995 that the Sixth National Curriculum declared English as the primary foreign language to learn in school, and focused on communicative competence and integrative ability to use the language in everyday communicative contexts. The time was right and the idea had matured. Since the 1990s, the Korean government has been committed to a nationwide globalization policy, and aimed to move Korea into the center of politics, economy, culture, and the like. Korea’s Globalization Steering Committee emphasized the importance of English education in effectively carrying out its globalization policies (Chung & Choi, 2016; Chang, 2009).

Over the decades, the Korean ETA program has been modified and expanded its operation. A great success should be attributed to the leadership of KAEC with creative arrangements and the flexibility to overcome different obstacles.

## 5. Future Research and Suggestions

The Fulbright Program was first started and was in Asia mainly because of its original idea of making use of the sale of U.S. War Surplus Property from WWII. The idea was to turn “hard” money into the “soft”



dollars of educational and cultural exchange. The hope was that through exchange this would result in a change of thinking, thus leading to a more peaceful world with American values of democracy.

As existing literature suggests “people’s experiences while they are abroad, rather than the simple fact of being in a foreign country, are likely to shape their attitudes.” Scholarship programs were set up to “nurture sympathetic opinion leaders” (Wilson, 2014), which was highlighted in the long-term purpose of Korea’s ETA program. However, winning hearts and minds is hard to measure; as is evidence of direct causality between exchange programs and political influence. It is suggested that elite networking and education are two possible routes that international mobility could influence international relations (Wilson, 2014).

Likewise, Nye’s third face of soft power refers to establishing a long-term unconscious preference. The author would like to echo a limits approach of public diplomacy on educational exchange, or educational diplomacy. This approach focuses not on changing the policies of the target country, but on setting limits to policy options for the other country, following universal values of freedom, democracy, peace, and self-determination.

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# **Managing Asia: A 21<sup>st</sup> Century “Chingbirok”? Opportunities in Trade Balanced Against Risk Factors In East, South, and Southeast Asian Security**

## **Abstract**

*Asia requires management in areas that interface, including manufacturing and assembly of goods, quality control, transportation of raw materials, delivery of finished products to markets, protecting intellectual property, providing services. Some management should be domestic, subject to different traditions and values within each country. Domestic Asian management, even pan-Asian management, is not working optimally. A “Chingbirok” or “Book of Corrections” seems required. Implicitly, this is an invitation for foreign partners to join into this conversation, because the welfare of all nations concerned depends upon effective and efficient management of Asia, especially the economies of populous Asian countries themselves. Actual and rhetorical belligerence should subside, Sino-American and Sino-European investment should be optimised, freedom of maritime navigation maintained through deterrence strategies. This paper will outline essentially an Anglo-American plan to secure a competitive maritime corridor across the “Near” Seas from Japan through the Suez Canal to the Mediterranean, an overland railway and highway across the Russian Federation, plus an alternative seaway across the Arctic Ocean, rendered navigable by global warming. America’s primary responsibility may focus on protecting Taiwan plus East Asian countries, with Britain’s to concentrate on safeguarding the Indian subcontinent and Malaysia as its former colonies. Functionally, the United Kingdom and United States should assume a proactive role in providing investment and oversight across China’s “New Silk Road” to ensure harmony*

*and deter the outbreak of hostilities within Eurasia, exerting muscular intervention in cooperation with their Asian Allies as required. Concrete objectives should be to maintain self-governance of Taiwan and all Asian states, unfettered South China Sea navigation, preservation of Western technology from Chinese plunder or coerced acquisition, together with an opportunity for a rising Asian middle class to purchase Western goods without restriction, each a component of America's Free and Open Indo-Pacific (FOIP) Strategy articulated by President Donald J. Trump.*

**Keywords:** *Asia, ASEAN, China, "Chingbirok," FOIP, Japan, Korea, security-centric, Taiwan*

## 1. Introduction

Ever since World War II ended in 1945, Asia has become a "roller coaster," calm and prosperous periodically, intermittently belligerent with economies that have become fluctuating or fractured. As we enter the third decade of the 21<sup>st</sup> century, some signs forecast that Asia is coming undone economically and in terms of state security. On the face of it, this appears be the fault of China, a function of its internal political factions fighting and of its unwillingness to accept its place in the global order that is far from at the lead. This does not mean that China cannot rise. It does mean that it cannot, that it should not, displace the United States or the Western Alliance anytime soon, either economically or militarily. To try will mean to fail.

If China tries and fails, this may cause the Chinese economy to relapse, at the least stunt its economic growth, and render China less attractive as a trading partner. At the end of 2018, China's Gross Domestic Product (GDP) growth rate had declined to 6.6 percent, a 28-year low, amidst its trade war with the United States (BusinessToday.In, 2019; Clinch, 2019). That may maintain the balance of power in Asia militarily and economically or even enhance American hegemony, whilst at the same time it is likely to precipitate price increases in products manufactured in China but purchased by Western consumers, leaving aside the issue of tariffs, retaliatory tariffs, or tariffs imposed multiple times on the same products. In addition, China's Belt and Road Initiative (BRI) has captured maritime shipping between Asia and Europe

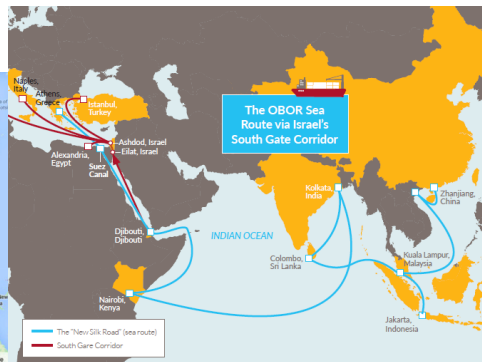
almost entirely, as Figure 3.1 below reflects (not necessarily between Europe and Asia in reverse, however), become embroiled in controversy and debt across BRI’s land route, as Figure 3.2 above reflects, almost entirely avoided aviation opportunities except for testing the East-West airways with Hainan Airlines, as Figure 3.3 above reveals (CAPA Center for Aviation, 2018).

**Figure 3.1. Belt & Road Initiative, Overland Routes**



Source: CAPA Centre for Aviation, 2018.

**Figure 3.2. China’s Maritime Belt & Road Initiative**



Source: Lin, 2016.

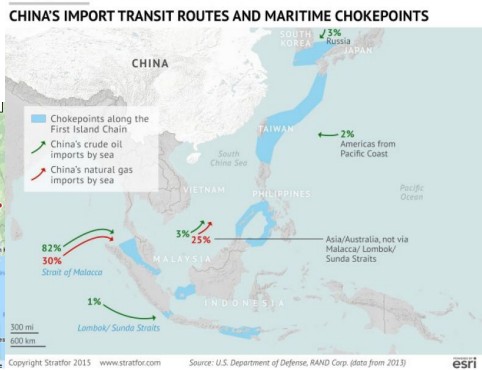
As Figure 3.4 above attests poignantly, the United States controls several “choke points” along with its Western Allies across what China calls its “Near Seas,” meaning the Yellow Sea plus the East and South China Seas (Lin, 2016). Rather evidently, the maritime component of BRI is dependent upon freedom of navigation (Bodeen, 2019; CSIS, 2016). Does this explain why China seems to have prioritised land routes from East Asia across South Asia to Europe (Arduino, 2016; Blanchard & Goh, 2019; Casarini, 2015, 2019; CNBC Video Project, 2019; Dunford & Liu, 2019; EEAS, 2018; Gere, Czirják & Pálvölgyi-Polyák, 2019; Godeмент & Kratz, 2019; He, 2017; Hillman, 2018; Kembayev, 2018; Liu, Dunford & Gao, 2018; Meltzer, 2017; Meyer, 2019; Owen, 2017; Penner-tier & Irish, 2019; Qoraboyev, 2018), together with why suddenly China has come to behave obstreperously across its “Near Seas”? Managing Asia appears to mean reining-in China, primarily, diversifying Eurasian trade routes, precluding China from *encircling* Eurasia, the Russian Federation, South Asia, or Europe, as academic and military strategists alike have warned (Jones, 2015; Ayres, 2017; Mallick, 2019).

Figure 3.3. Hainan Airlines Eurasian Routes



Source: CAPA Centre for Aviation, 2018.

Figure 3.4. China’s Import Transit Routes and Maritime Chokepoints



Source: Vien, 2015.

This chapter addresses six challenges related to trade, another six related to national and commercial security, each as a precursor to a “Book of Corrections” or “Record of Reprimands and Admonitions” [*Ching-birok*] that seems to be urgently required in order to preclude a disaster such as that which befell Japan during and after its Samurai-led invasion of Chosŏn (Northern Korean Peninsula) between 1592 and 1598, known as the Imjin War, in Japan’s ill-fated effort to conquer both Korea and Ming Dynasty China at once (Hawley, 2014). Chosŏn’s chief state councilor (prime minister), Yu Sŏngnyong, wrote his *Chingbirok* as an aftermath contemporary analysis in an effort to warn Asia “never again” to embark upon needless warfare without hope of victory (Choi, tr., 2002). Hopefully, 21<sup>st</sup> century Chinese leaders will heed that admonition, as American warships sailing through its Near Seas “red lines” evidence it should (Martin, Wadhams, Sink & Lin, 2019).

Challenges related to trade are (1) diversion of manufacture and/or assembly of products away from China to the ASEAN bloc or elsewhere in order to safeguard Western technologies; (2) diversion of agricultural harvests away from United States farm belt suppliers toward competitors in Canada, Latin America, ASEAN countries, although post-Brexit United Kingdom might purchase much of an available American harvest, sometimes with United States funding; (3) encouragement of Western countries to manufacture their own components for 5G technology as well as future technology that goes beyond 5G, instead of delegating that task to China or potential adversaries that seem bent on consumer eaves-

dropping or technology piracy; (4) motivation of China to pour resources into the development of its own 5G and future technologies domestically, instead of relying upon availability of component parts from the West; (5) emergence of governmental regulation to promote more Western manufacturing competition; (6) implicit invitation of Asian countries, including China, to manufacture or assemble a larger fraction of their products abroad, in effect becoming domestic competitors with European and North American manufacturers in Western markets, creating an ability of Western companies to return fire by seizing Chinese technology in retaliation when China seizes Western technology, and by delisting Chinese companies from American stock exchanges for lack of transparency.

Challenges related to security risk include (1) driving China and other Asian competitors toward control of pockets of international waterways along Asia's coastline (“maritime pockets”) in order to control, tax, limit, or preclude without their explicit consent the transit of foreign cargoes, thereby creating functional Asian embargos; (2) substantially increasing the cost of transporting raw materials and finished products between Asia and Europe, primarily, then potentially between Asia and the Western Hemisphere as well; (3) as a consequence, compelling more nations to become self-sufficient, particularly in products that impact Western national security, thus reducing “globalisation” across the foreseeable future; (4) motivating developed and developing countries to enter into alliances some of which will resemble neocolonialism, induce the improvident reconstruction and return of Asian empires or fiefdoms; (5) expanding instead of restricting international trade with tariffs and shipping restrictions, replicative of 18<sup>th</sup> century British actions that catalyzed the American independence movement; (6) weaponisation of tariffs plus non-tariff barriers (NTBs) coupled with an economic arms race that is burgeoning into an Occidental-Oriental naval and space race, with China crunched at the core of an ever-tightening spiderweb encirclement (Jones, 2015; Jones, 2020). Some ASEAN nations seem to be playing with imposition of restrictive Internet regulations, a rather transparent litmus test of an ideological shift they may be considering, however subliminally (Calonzo, 2019; Chen & Lee, 2019). Security and trade go hand in hand. United States negotiators relaxed some of their demands for China's concessions, such as those on subsidies (Alper, Prentice & Martina, 2019). In this respect, the Trump Administration may be displaying weakness, inadvertently buttressing China in its quest for domination. United States military and naval strength require expansion (Apps, 2019).



## 2. U.S. Free and Open Indo-Pacific (FOIP) Strategy

Core to managing Asia as the 21<sup>st</sup> century's third decade approaches is the United States' Free and Open Indo-Pacific (FOIP) Strategy, crafted by the Donald J. Trump administration in 2017, early in his presidency when critics contended that President Trump lacked a foreign policy. It has been labeled as an "accurate diagnosis, imperfect prescription" by Asian graduate students including Hong (2018). More accurately, FOIP itself has been diagnosed by prominent scholars as posing "challenges for India and Japan" because FOIP is becoming "security-centric," forcing Asian nations to take sides with either China or the United States (Lema, 2019; Palit & Sano, 2018), instead of riding a Sino-American fence as they seem to prefer doing, and have done, for decades. Even some European countries seem to be concerned about losing China's business, although some developing countries say China's business benefits only the rich (Miriri, 2020). By August 2019, China's factory prices had fallen significantly (Agence France Presse, 2019), with both its imports and exports down significantly, although China's trade surpluses with the United States were down by only USD One Billion (from USD 27.9 Billion to 26.9 Billion in August 2019 compared with July 2019) (Zhang, Chen & Lee, 2019). In August, 2019, China's industrial profits were down two percent from August 2018 to 517.8 billion Yuan (USD 72.59 Billion), according to National Bureau of Statistics data, compared with a 2.6% gain in July 2019 (Qiu & Crossley, 2019). According to China's *Beige Book* that has a good track record forecasting upward and downward curves in China's economy, Chinese factories were "stressed" even before American tariffs were imposed (Bloomberg, 2019). As China's economy tottered, so did that of other Asian countries, such as the Republic of Korea (Roh & Kim, 2019). Managing Asia is managing China as the third decade of the 21<sup>st</sup> century begins. Some call for revival of Alexander Hamilton's "American System" sooner rather than later (Zepp-LaRouche, 2017).

Visiting China in September 2019, German chancellor Angela Merkel strongly urged Chinese premier Li Keqiang to increase Chinese investment in Germany, a country heavily-dependent on exports (Lee, 2019). This came as United States defense secretary Mark T. Esper warned European leaders that China and the Russian Federation pose increased security threats to the United States and the Western Alliance (Burns, 2019): he "accused China of using its economic power and stealing tech-

nology to gain greater global influence,” asserting that “[t]he more dependent a country becomes on Chinese investment and trade, the more susceptible they are to coercion and retribution when they act outside of Beijing’s wishes” (PressTV.com, 2019). It came at a time when “China’s GDP Decline[d] to a 28-Year Low” (2019), when “[China’s] [i]ndustrial output rose 4.4% from a year earlier, versus a median estimate of 5.2%[,] [r]etail sales expanded 7.5%, compared to a projected 7.9% increase [and when] [f]ixed-asset investment slowed to 5.5% in the first eight months, versus a forecast 5.7%” (Han & Sato, 2019). When a country or a group of countries pose increased threats alongside weakened economies, this is not the time to shore-up adverse economies unless one desires to increase security threats posed by those countries with declining economies (Burns, 2019). In this situation, the Trump Administration is right, the Europeans misguided. To date, the forecast Davis made half a decade ago that China was on “*The Empires’ Edge [by] Militarization, Resistance, and Transcending Hegemony in the Pacific*” (Davis, 2015) has come true. Then what to do? Does the United States, does the West, face a *Return to Winter* meaning a Chinese-Russian axis leading to a new cold war, as suggested by Schoen and Kaylan (2015)?

Very clearly, the American FOIP strategy reveals an “accurate diagnosis,” the problem being that Western Alliance leaders seem to ignore the symptomatology of this epidemic or the need for any treatment plan, “imperfect prescription” or otherwise. From 2013 through 2016, China constructed some 3,200 acres of land involving seven islands on the South China Sea (CSIS, 2016), fortifying them (Axe, 2019a, 2019b), then conducting oil and gas exploration surveys within the territorial waters of ASEAN nations, proving that “megaphone diplomacy” has been all talk, little concrete action without the direct intervention of the United States (Gomez, 2018, 2019; Thu, 2019). Evidently, the United States and its Western Allies pursued an “imperfect prescription” in that China has continued to violate international laws, particularly on the high seas (Packham, 2019; Palit & Sano, 2018; Perwita & Tertita, 2019; Pickrell, 2019), as China has continued to conduct missile drills off the coasts of its neighbouring countries (Shepherd & Blanchard, 2018). On 28 September 2019, Vietnam’s foreign minister warned the U.N. General Assembly of escalating dangers in the region (Boudreau & Wainer, 2019).

American action is not “security-centric” enough, it must become focused much more on global and regional security to reduce risks that are

abundant in Asia: each of the six security risks enumerated above, together with the derivative implications of each, including loss of sovereignty by ASEAN nations with coastlines along the East and South China Seas, diversion of trade away from traditional East-West partners, damage to Western agricultural harvests, and to the health of Chinese consumers compelled to eat reserve pork and other frozen meat reserves instead of fresh food, imposition of negative instead of positive regulations by the West in Asia, continuous loss of Western, particularly of American, technology to Chinese thefts (Iaones, 2019), as well as the eavesdropping of American corporations to obtain business strategy secrets (Robertson & Riley, 2018), an unfair trade practice of gargantuan proportion. Together with technology thefts lies the possibility that imports of agricultural products from the United States into ASEAN bloc countries are being thwarted by sabotage in 2019. An epidemic of swine flu is emerging in more than 50 countries, those hardest hit being in Southeast Asia according to the World Organisation for Animal Health (Thukral & Maguire, 2019). In the West, suspicion focuses on China aiming to reduce demand by Asia for American animal feed.

In China, forced to rely upon frozen pigs to meet the popular demand for pork, suspicion focuses on the United States maneuvering to compel the purchase of American hogs as a means of offsetting dwindling hog sales to China occasioned by trade war tariffs. Hong Kong headquartered WH Foods is the largest pig producer and pork processor in the world, with operational headquarters in Mainland China's Henan Province (Plantz, 2016). It owns Smithfield Foods, the world's third largest pig producer and America's largest. At the end of 2019, China and Southeast Asia relied on importing pork products from the United States to support their staple diet, frustrated by tariffs cross-imposed by the United States and China itself. Amidst this scenario, American firms are withdrawing from China, heading elsewhere or returning home (Ruwitch, 2019). Unwittingly, China appears to be helping to "Make America Great Again," President Trump's 2016 campaign slogan. Whilst America slept, China may have endeavoured to take its place as a global leader by "stealth," as one observer argued (Spaulding, 2019), but "enhanced engagement" articulated in the early months of the Trump Administration (Storey & Cook, 2017) has made Chinese stealth backfire. That outcome has been enhanced by Chinese action or inaction as the case may be: "landscape" and "political infrastructure" have stalled China's BRI in its tracks across Eurasia, much as forecast by Sternberg, Ahearn and McConnell (2017). If ever there was a "grand design" by China as suggest-

ed by Vien (2015), it has witnessed erosion if not entire collapse. In effect, China itself has stalled in its own investing in BRI: The Asia Infrastructure Investment Bank (AIIB) is recalcitrant, providing less than USD 2 Billion in funding between 2016 and 2017:

The bank’s president, Jin Liqin, told the World Economic Forum summit in China last year: “We will support the One Belt, One Road project. But before we spend shareholders’ money, which is really the taxpayers’ money, we have three requirements.” “...The new trade route would have to promote growth, be socially acceptable and abide by environmental laws” (Bruce-Lockhart, 2017).

### 3. Balancing, or Tipping of the Balance?

Maritime Security across East, South, and Southeast Asia is becoming imbalanced in favour of an increasingly-belligerent China that seems to be flexing the muscles it wishes it possessed. The trouble is, China’s self-assessment of its military and naval strength relative to that of the Western Alliance is inaccurate. An objective *Chingbirok* by Chinese leaders would lead to an immediate “correction” of Chinese global strategy: return to the “24-Character Strategy” advanced by Deng Xiaoping, China’s paramount leader from 1978 to 1992, “*Tāo guāng yáng huì*” [“duck your head”] principle<sup>1</sup> especially, such that proactively China will become less aggressive, precluding the need for the United States, together with its Asian allies, to tip the balance with economic or military force or both. If Deng’s projection remains accurate, then China must prove wrong Gertz’s declaration that it is *Deceiving the Skies* (2019) by plotting global supremacy. Already, following a European example (European Commission, 2017), the Trump Administration has whispered that it may seek to delist Chinese companies from being traded publicly on American stock exchanges, causing shares of China’s JD.com, Alibaba, Baidu, and China Large-cap to fall by 5.95%, 5.15%, 3.67%, and 1.15% respectively late in September 2019 just days before the 70<sup>th</sup> anniversary of the PRC’s founding, but also exerting a corresponding, albeit less serious, fall of Intercontinental Exchange (New York Stock Exchange owner) and Nasdaq shares by 1.88% and 1.70% respectively (Alper & Lawder, 2019).

1 “Observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership.” See: GlobalSecurity.org. N.d.

## 4. Conclusion

Managing Asia is managing China, indisputably, be it in maritime confrontation, East-West trade, economic growth, transportation by air, sea, or land, China is involved. At times, this has been positive (National Development and Reform Commission, 2015; Morrison, 2019; Yao, 2019), at other times wishfully positive (Yao, 2019; L. Zeng, 2016; J. Zeng, 2019), yet at other times, increasingly more recently, negative (Shapiro, 2017; Gertz, 2019). Paradigms have not changed: Peace through Strength has been and will remain the watchword. No Chinese-Russian axis exists yet, America is being tested. However, Asia requires effective management. An Anglo-American plan for securing the maritime corridor from Japan to the Suez Canal is required. America's primary responsibility should be on protecting Taiwan plus all Asian countries, with Britain's to be on safeguarding human rights and welfare of its Hong Kong subjects plus the welfare of the Indian subcontinent, and Malaysia as its former colonies, plus the Suez Canal region. Both the United Kingdom and the United States should cooperate extensively to safeguard the Indian Ocean and the "Near Seas" as well as East-West trading routes further North: maritime across the Arctic Ocean, overland across the Russian Federation, to promote viable competition by reducing monopolisation of the "New Silk Road" or "Belt and Road Initiative" promoted aggressively by China across Eurasia. In this effort Japan and the Republic of Korea should be encouraged to join.

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## Targeting of EU Development Assistance in Asia

### Abstract

*Official Development Assistance (ODA) exists as a response to the needs of the World's weaker developing nations. Intuitively, we might expect that greater ODA should be provided to those in greatest need, while more developed countries should receive less. When we look at the actual data on the European Union's (EU) targeting across Asia, the focus of this paper, we see that this pattern is usually met. In cases where this pattern is not met we need to understand why.*

*To assess the effectiveness of EU ODA targeting between 2001 and 2017 four separate indicators were used. Using these, we tested how well the actual Official Development Assistance/Human Development Indicator (HDI) relationships map onto the predetermined **ideal** of high ODA to low HDI score, and vice versa. These tests were also applied to ODA data of the other major donors active across Asia.*

*The EU's targeting in matching a high ODA to low HDI pattern is generally effective, but the data shows a number of interesting anomalies. A closer inspection of the data suggests that these are the result of the EU placing its own political and/or economic interests above those of countries in receipt of its ODA.*

*The analysis shows that the EU has improved its ODA targeting across Asia. However, this improvement only managed to achieve a level of **moderate correlation** towards the **ideal** in 2017 from its unimpressively **low correlation** recorded in 2001.*

**Keywords:** Official Development Assistance (ODA), development cooperation, effectiveness, targeting, Human Development Index, HDI, European Union, Asia

## 1. Introduction

The European Union (EU) is the World's largest donor of Official Development Assistance (ODA). This central role carries with it both great opportunities and responsibilities in how the massive amounts of money involved should be distributed.

A large chunk of this ODA goes to Asia. The levels of social and economic development across Asia vary significantly. We find extremely rich Gulf countries bordering poor, war-torn Yemen, massive differences in living standards within the Association of Southeast Asian Nations (e.g. between Singapore and Cambodia), and the competing economic giants, China and India, still struggling with a number of unresolved development problems.

The aim of this paper is to look at the relationship between two sets of data: ODA distribution statistics and Human Development Index (HDI) scores. Taking EU ODA distribution data from OECD donor reports and testing this against the HDI scores of individual Asian recipient countries provided by the United Nations Development Programme (UNDP), we hope to assess the effectiveness of the EU's correlation of data relating to social and economic development, and the use of this data in targeting available resources.

The methodology involves the calculation of **correlation coefficients between the ODA and HDI scores achieved, country by country**. For the sake of accuracy, the ODA statistics are broken down into three different measurements: total ODA, ODA per capita, and ODA as percentage of recipient country's GNI. Each of these three measurements is considered in relation to the single HDI score of each country to produce separate correlation coefficient figures for each comparison.

The ODA each country receives is then presented as a percentage of total EU ODA, region by region, across Asia.

The results of the above are then compared to the outcomes of similar analyses carried out using recorded data on Japan, the US, and UN aid agencies. This enables us to properly gauge the EU's performance against those of the other three big players in the context of the international framework of development cooperation.

The following criteria are used to determine the significance of EU ODA to individual recipient countries:

1. an annual net ODA volume exceeding USD 100 million,
2. a level of ODA per capita more than 25 USD and/or ODA/Gross National Income (GNI) ratio > 0.5%,

3. a minimum 10% share in the regional ODA offered by the EU to a given region of Asia.

Finally, in order to track the trends in EU donor activity over the 2001–2017 period, numerical scores from 0 to 3, relating to how well the EU met the above criteria in their ODA distribution to each individual recipient country, are assigned. These scores are then used in conjunction with the HDI classification of each recipient country to calculate year by year correlation coefficients.

Important: calculations are limited by available data, and to cases in which offered net ODA exceeds 0 USD (i.e. eligible countries whose loan repayments are lower than the value of incoming ODA).

As of the time of writing, eight EU countries still do not belong to the OECD's Development Assistance Committee (DAC): Bulgaria, Croatia, Cyprus, Estonia, Latvia, Lithuania, Malta, and Romania. As OECD databases indicate, over the period 2001–2017, the contribution to the total EU ODA for Asia made by these eight countries amounted to just 0.11%. Due to its negligible significance in determining trends, the data for these eight countries was not part of the analysis, and, for this reason, I will use the simplified term "EU ODA" when referring to development assistance provided by EU DAC members and institutions.

The paper hopes to answer the following questions:

1. How successful has the EU been in targeting its ODA to satisfy the development needs of Asian countries (i.e. level of ODA correlated with recipient HDI)?

2. How is the EU performing in terms of ODA to HDI in comparison to the performances of other significant donors: Japan, the United Nations agencies, and the United States?

3. Can we see any major divergences in ODA/HDI trends? If so, can we tell which factors (humanitarian, political or economic) are likely to have caused these anomalies?

If the main objective of ODA is "the promotion of the economic development and welfare of" (OECD, 2019a) recipient countries, targeting effectiveness should be judged accordingly. Hence the **ideal**, where greater ODA is targeted to those in greatest need, while more developed countries are assigned less aid.

Hypothesis: Despite some improvements in its ODA targeting over the 2001–2017 period, the EU still fell short of achieving maximum effectiveness, and in some cases can be seen as having placed its own political

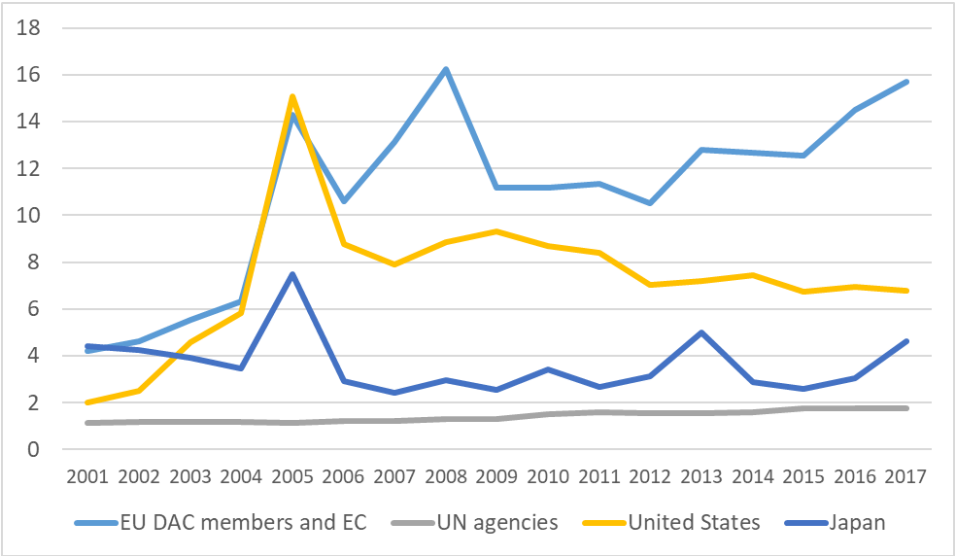
and/or economic interests above the “economic development and welfare” of some recipient nations.

The EU’s ODA targeting often fails to meet the complexity of the social and economic needs of recipient nations, and can be seen as focusing more on the promotion of its own political interests.

## 2. Major Donors’ Spending on ODA to Asian Recipients

Because of its size, political importance, and existing social and economic problems Asia features large in the international arena of development cooperation. In the period 2001–2017, Asia received around USD 612.5 billion in net ODA, 65% of which was provided by the four donor countries/institutions under consideration: EU (31%), United States (20%), Japan (10%), and the United Nations (4%). This seventeen year period saw great fluctuations in donor activity in response to the ever changing political and economic situation across Asia, e.g. armed conflicts, global financial crash, emergence of China and India.

**Figure 4.1. ODA Offered to Asia by the EU, United States, Japan, and United Nations Agencies (in USD billions, current prices)**



Source: Based on OECD, 2019b.

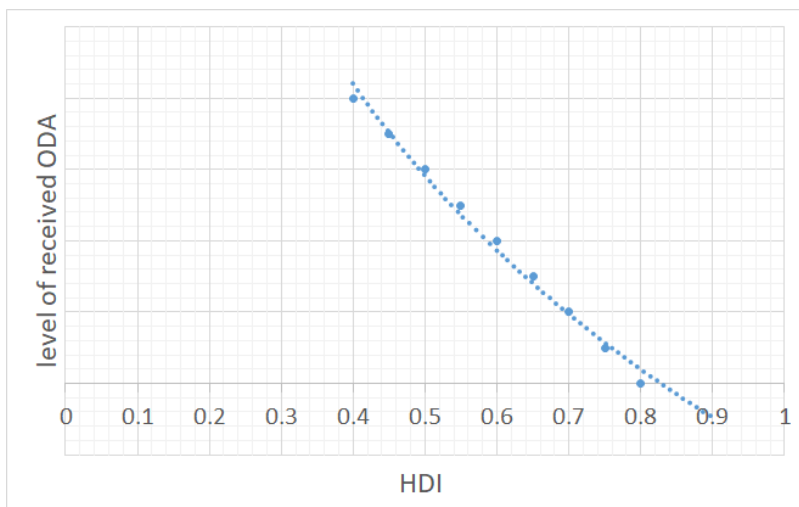


Calculated on the basis of the existing 28 member states at the time of writing this paper, the amount of EU ODA to Asia for the year 2001 was recorded as USD 4.2 billion. Rising steeply to a high of USD 16.25 billion in 2008, the EU contribution dropped to USD 10.5 billion over the next four years, recovering to a level of USD 15.7 billion in 2017. From the low of USD 2 billion in 2001, the US ODA contribution skyrocketed to USD 15.1 billion in 2005, only to drop to USD 8.8 billion the following year, and continued a steady fall to USD 6.8 billion by 2017. Japanese ODA finished roughly where it started, recording USD 4.4 billion in 2001, hitting a peak of USD 7.5 billion in 2005, then recording levels of less than USD 3 billion for most years, apart from a figure of USD 5 billion recorded in 2013, arriving at USD 4.6 billion in 2017. The volume of UN ODA to Asia recorded in 2001 was USD 1.1 billion rising to an unimpressive USD 1.8 billion in 2017.

### 3. A Model of ODA/HDI Relationship

An intuitive understanding of ODA leads us to assume that the largest share should be directed to countries deemed to be low human development countries, i.e. those achieving a score of less than 0.550 on the HDI scale.

**Figure 4.2. A Model of Ideal (Non-existing) Relationship Between Offered ODA and Recipients HDI**



Source: Author's own estimations.



Then, second in line, countries scoring between 0.550 and 0.699, medium human development countries, should get a lesser share, and countries scoring between 0.700 and 0.799 on the HDI scale, high human development countries, the smallest share. Countries scoring 0.800 or greater, very high human development countries, should receive nothing, and might be expected to repay their old development loans, before finally breaking free from the need for ODA.

Figure 4.2. shows what might be considered a perfect negative relationship, representing the downward trend, if the correlation coefficient for variables (HDI/ODA) under consideration were -1.0.

## 4. EU ODA/HDI Relationship

### a. An analysis based on total ODA data

In order to properly scrutinize this ODA/HDI relationship, we need to look closely at the recorded data, which shows the actual character of the trend, including anomalies where the data shows a clear mismatch with the ideal downward line shown in Figure 4.2 (see Figures 4.3 and 4.4).

Figure 4.3. Total ODA  
(in millions of USD) / HDI in 2001

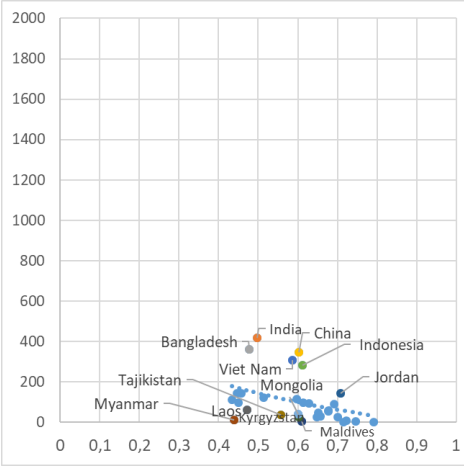
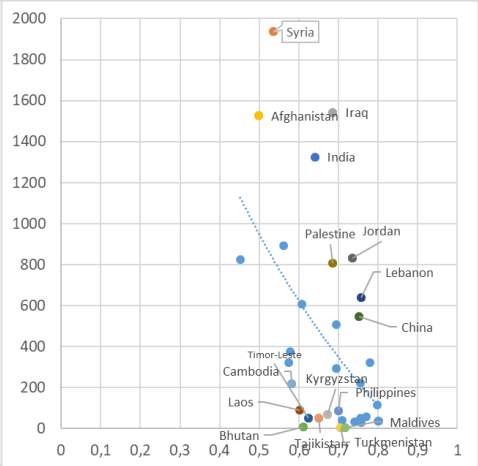


Figure 4.4. Total ODA  
(in millions of USD) / HDI in 2017



Source: Author’s own calculations based on OECD, 2019b and UNDP, 2019.

Using data for 2001 we can assess the EU’s donor performance based on 32 cases (unfortunately, HDI scores for Afghanistan and Palestine were

unavailable for this particular year). While Figure 4.3 shows a definite downward trend with a correlation coefficient of  $-0.39$ , there are a number of cases where this trend is bucked. Clearly shown as being above the line: Jordan ranked as a high human development country, receiving USD 142.3 million of ODA; Indonesia, China, Vietnam, all ranked as medium human development countries, receiving USD 283.59 million, USD 346.68 million, and USD 306.34 million respectively; India, and Bangladesh, both ranked as low human development countries, receiving USD 418.58 million and USD 359.8 million respectively. Countries falling below the line, Myanmar and Laos, both ranked as low human development countries, received USD 12.76 million and USD 60.28 million respectively. Tajikistan, Mongolia, Kyrgyzstan, and Maldives, all ranked as medium human development countries, received USD 38.55 million, USD 40.4 million, USD 25.18 million, and USD 4.35 million respectively. Out of the 32 recipient countries included in this part of the analysis, only 11 scored highly enough to reach the set “significance threshold” of USD 100 million.

Looking at Figure 4.4 for the year 2017, we can see that the positions of these Asian countries changed significantly on the ODA/HDI axis, either as a result of many countries receiving substantially more ODA than they had 16 years earlier, and/or the dynamic social and economic developments achieved in this part of the World. As in 2001, we see a clear downward trend with a correlation coefficient of  $-0.49$  being recorded. In 2017 the group of countries receiving EU assistance well above the established trend included: Lebanon, China, and Jordan, all three ranking as high human development countries, receiving USD 638.94 million, USD 547.56 million, and USD 830.8 million respectively; Palestine, Iraq, and India, all three ranking as medium human development countries, receiving USD 805.81 million, USD 1.54 billion, USD 1.33 billion respectively; while Syria, and Afghanistan, both ranking as low human development countries, received USD 1.94 billion, and USD 1.53 billion respectively. While the above shows anomalies in which we see higher ODA contributions than might be expected from HDI scores achieved, we now go on to consider recorded data where we see the opposite (i.e. lower ODA than might be expected, looking solely at particular HDI scores). Cambodia, Laos, Bhutan, Timor-Leste, Tajikistan, Kyrgyzstan, and Philippines, all ranked as medium human development countries, received USD 218.4 million, USD 89.72 million, USD 9.26 million, USD 51.26 million, USD 52.62 million, USD 70.27 million, and USD 85.53 million respectively.

Turkmenistan, and Maldives, both ranked as high human development countries, received USD 5.84 million and USD 3.72 million respectively. Out of 34 cases involved in this part of the assessment, 19 countries obtained more development assistance from the EU than the criteria required in this paper to be recognized as significant, in terms of total ODA received.

Although undoubtedly influential, the size of each country's population and economy only goes some way towards explaining these anomalies. While some very large countries receive huge amounts in EU ODA, e.g. China and India, a number of very small countries receive hardly any EU ODA at all, e.g. Maldives and Tajikistan. However, in many cases, the size of country, in terms of population and GDP, has little bearing on the amount of ODA provided by the EU. Although receiving similarly large amounts in ODA from the EU, countries like Jordan, Lebanon, and Iraq are clearly dwarfed in terms of populations and scales of economies by China and India. In spite of their significantly large populations, Myanmar and Philippines both received very little ODA from the EU. Taking all of these factors into account, it is obviously necessary not to rely solely on total ODA/HDI relationship. Therefore, "ODA per capita/HDI," "ODA as % recipient's GNI/HDI," and "recipient nation's share in regional ODA offered by the EU" were employed in the analysis.

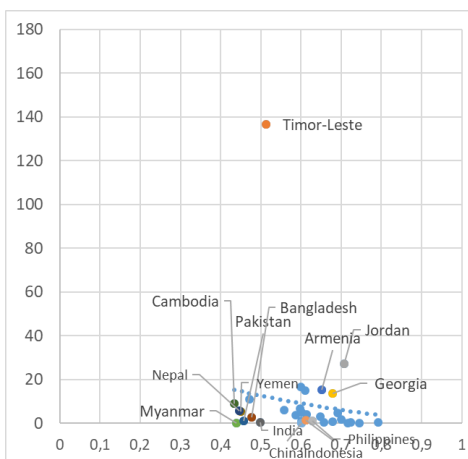
### *b. An analysis based on ODA per capita data*

Having established ODA per capita, ODA as a percentage of recipient's GNI, and recipients share in the regional ODA, as useful criteria, we can now begin to apply them in relation to each recipient country's HDI scores, in order to get a more accurate picture of how well, or otherwise, ODA targeting was achieved by the EU in the two years under consideration, 2001 and 2017.

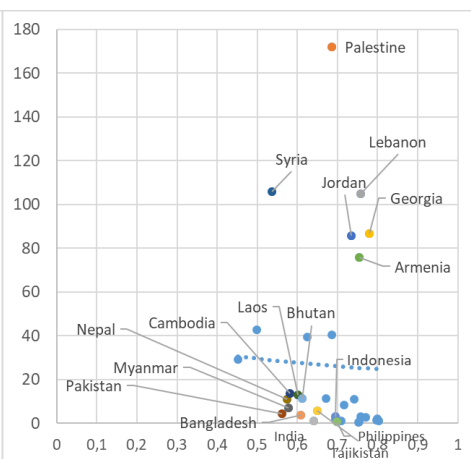
Using ODA per capita against HDI scores, Figure 4.5 shows a very weak correlation (correlation coefficient -0.15), representing the EU's lack of success in its efforts to target those in greatest need. The most noticeable departure from the trend established by the 2001 data was the enormous amount of aid given to Timor-Leste, ranked as a low human development country, receiving USD 136.5 per capita of ODA from the EU. Other cases in which countries were assisted well above the trend were: Jordan, ranked as a high human development country, receiving

USD 27.4 per capita; Georgia, and Armenia, both countries ranked as medium human development countries, receiving USD 13.67 and USD 15.45 per capita respectively. Falling below the line representing the trend, we see a much larger group of countries: Cambodia, Myanmar, Nepal, Yemen, Pakistan, Bangladesh, and India, all ranked as low human development countries, receiving only USD 9.08, USD 0.27, USD 5.94, USD 5.29, USD 1.01, USD 2.68, and USD 0.39 per capita respectively; with China, Indonesia, and Philippines, all three ranked as medium human development countries, receiving USD 0.27, USD 1.32, and USD 1.19 per capita respectively. Recorded data for 2001 shows that just 2 out of 32 cases under consideration received sufficient aid to meet the “significance criterion” of USD 25 per capita.

**Figure 4.5. ODA Per Capita (in USD) / HDI in 2001**



**Figure 4.6. ODA Per Capita (in USD) / HDI in 2017**



Source: Author’s own calculations based on OECD, 2019b and UNDP, 2019.

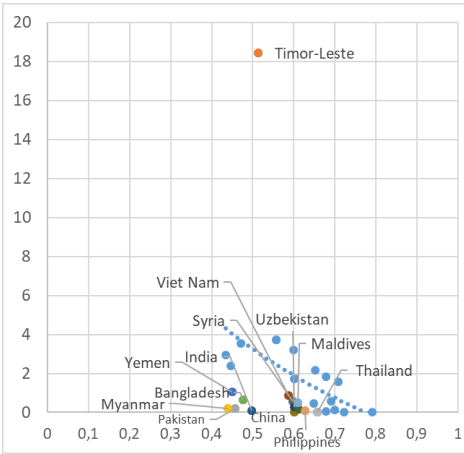
While Figures 4.5 (2001) and 4.6 (2017) illustrate some significant increases in ODA delivery to Asian countries, the correlation between ODA per capita and HDI scores remained very weak. The huge differences in funding received by a few relatively well developed recipients, and that delivered to many of the less developed countries, had the effect of flattening the line representing the established trend, and so, almost no correlation can be seen (correlation coefficient of -0.03). Figure 4.6 shows 6 out of 34 countries represented as being well above the trend line. These are, in descending order of their HDI scores: Georgia, Lebanon,

Armenia, and Jordan, ranked as high human development countries, receiving USD 86.82, USD 105.06, USD 75.98, and USD 85.63 per capita respectively; Palestine, ranked as a medium human development country, receiving USD 172 per capita; and Syria, ranked as a low human development country, receiving USD 105.94 per capita. The group of countries recorded as being well below the trend were: Pakistan, Nepal, Myanmar, Cambodia, Laos, Bangladesh, Bhutan, India, Tajikistan, Indonesia, and Philippines, all ranked as medium human development countries, receiving USD 4.54, USD 11.01, USD 7.07, USD 13.65, USD 13.08, USD 3.69, USD 11.46, USD 0.99, USD 5.9, USD 1.92, and USD 0.82 per capita respectively. In 2017, 10 out of 34 recipient countries received more than the USD 25 per capita required to meet the “significance criterion.”

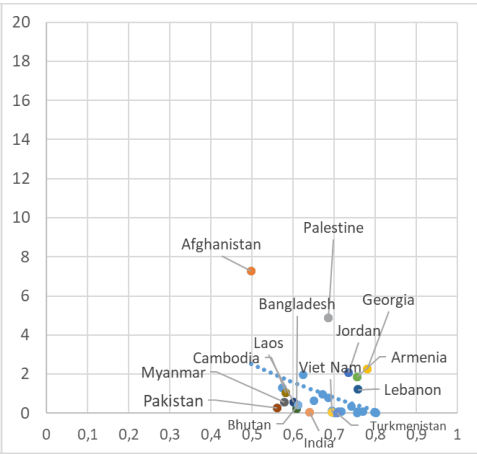
*c. Analysis based on ODA as percentage of GNI*

Another indicator, “ODA as % of recipient’s GNI/HDI” is illustrated by Figures 4.7 and 4.8.

**Figure 4.7. ODA as % of Recipient’s GNI / HDI in 2001**



**Figure 4.8. ODA as % of Recipient’s GNI / HDI in 2017**



Source: Author’s own calculations based on OECD, 2019b and UNDP, 2019.

While EU ODA as percentage of GNI shows a closer correlation, when compared to a given country’s HDI, this is still far from perfect in relation to the ideal model presented at the beginning of this paper. In both 2001 and 2017, we see a clear downward trend representing a weak linear

correlation (correlation coefficients: -0.29 in 2001 and -0.37 in 2017). In 2017, we see an increase in absolute EU ODA to Asia (total ODA in USD), but for most recipient countries, when seen as a percentage of GNI, the amount received represents a relative drop. This seeming paradox is a result of dynamic economic growth in this part of the world.

The 2001 data shows just one stark example of a country being well above the trend: Timor-Leste, ranked as a low human development country, received ODA worth 18.45% of its GNI. In the same year we see many countries falling well below the trend: Myanmar, Yemen, Pakistan, Bangladesh, and India, all five ranked as low human development countries, receiving aid equivalent to 0.2%, 1.06%, 0.2%, 0.65%, and 0.09% of their GNI respectively. Vietnam, Syria, China, Uzbekistan, Maldives, Indonesia, Philippines, and Thailand, all eight ranked as medium human development countries, received the equivalent of 0.88%, 0.57%, 0.03%, 0.26%, 0.51%, 0.18%, 0.11%, and 0.03% of their GNI respectively. Out of 33 cases covered by this part of the analysis, 19 reached the set “significance threshold” of 0.5% of GNI.

In comparison, the analysis of 2017 data shows 6 examples of countries well above the trend: Georgia, Lebanon, Armenia, and Jordan, all four ranked as high human development countries, receiving aid equivalent to 2.25%, 1.23%, 1.85%, and 2.08% of their GNI respectively; while Palestine, ranked as a medium human development country, received the equivalent of 4.89% of its GNI, and Afghanistan, ranked as a low human development country, received the equivalent of 7.26% of its GNI. The nine countries falling well below the trend were: Pakistan, Myanmar, Cambodia, Laos, Bangladesh, Bhutan, India, and Vietnam. All eight of these countries are ranked as medium human development countries, and received aid equivalent to 0.28%, 0.57%, 1.05%, 0.56%, 0.23%, 0.4%, 0.05%, and 0.14% respectively. Turkmenistan, ranked as a high human development country, received the equivalent of 0.01% of its GNI. 14 out of 31 countries in the 2017 analysis recorded ODA sufficient to reach the “significance threshold” set.

#### *d. Factors affecting EU performance*

Table 4.1 presents examples in which countries received more aid than we might expect from their HDI scores for the years 2001 and 2017, and provides additional information to explain these anomalies in funding.

**Table 4.1. Possible Reasons for EU ODA Being Higher than the Trend**

Indicator	2001	2017
<b>total ODA/HDI</b>	<b>Jordan</b> (member of Euro-Mediterranean Partnership, geopolitical reasons, country's role in the Middle East peace process, and host to large Palestinian community), <b>Bangladesh and Vietnam</b> (relatively large populations and economies, various severe development problems – including extreme poverty and undernourishment), <b>China, India, and Indonesia</b> (very large population and massive economy, clear political dominance, very important economic partners of the EU, various social problems – including extreme poverty and undernourishment)	<b>Afghanistan, Iraq, Jordan, Lebanon, Palestine, Syria</b> (influence of ongoing armed conflicts, massive flows of displaced people and related humanitarian problems, attempts of EU countries to engage politically through various initiatives – including the Southern Neighbourhood), <b>China, India</b> (very large populations and massive economies, G20 and BRICS members, clear political dominance and global ambitions, very important economic partners of the EU)
<b>ODA per capita/HDI</b>	<b>Timor-Leste</b> (ongoing internationally supported process of restoring independence, many severe development problems – including extreme poverty, undernourishment, and infant mortality), <b>Armenia, Georgia, Jordan</b> (geopolitical importance for the EU, counterbalancing influence of other actors, EU efforts to shape political reforms via aid-sponsored promotion of good governance)	<b>Jordan, Lebanon, Palestine, Syria</b> (for the same reasons as above), <b>Armenia, Georgia</b> (geopolitical importance for the EU, counterbalancing influence of other actors, Eastern Partnership members)
<b>ODA as % of recipients GNI/HDI</b>	<b>Timor-Leste</b> (for the same reasons as above)	<b>Afghanistan, Jordan, Palestine, Lebanon</b> (for the same reasons as above), <b>Armenia, Georgia</b> (for the same reasons as above)

Source: Author's own estimations based on calculations based on OECD, 2019b and UNDP, 2019, and raw data from The World Bank, 2019, UN DESA, 2016, and UN DESA, 2019.

In 2001 and 2017 we find a number of what we might call “above the line anomalies.” We need to take a closer look at the ODA/HDI relationships, and other factors, in order to explain these for the years in question. The reasons for the 2001 and 2017 anomalies differ from country

to country, and can be broadly categorized as political, commercial, and/or humanitarian. While in the cases of China and India these anomalies can be put down to a combination of commercial and political factors, the EU's enhanced engagement with Armenia, and Georgia for those years could be described as purely political. Following years of armed conflict in both the Middle East, and Timor-Leste, 2001 saw a high level of aid activity from the EU, which can be seen as political in nature. In 2017, ongoing armed conflicts across the Middle East, affecting millions of people in Afghanistan, Iraq, Jordan, Lebanon, Palestine, and Syria, presented enormous challenges to the EU in its role as an ODA donor. The general instability, and humanitarian and political problems resulting from mass displacement of populations in such close proximity, necessitated a concerted EU response.

*e. Comparison of EU ODA/HDI with the performance of other major donors*

One of the objectives of this paper is to compare the data on EU aid activity in Asia with that of other important donors: UN agencies, the United States, and Japan (see Table 4.2 below).

**Table 4.2. The Comparison of 2001 and 2017 ODA/HDI Coefficients**

	2001			2017			2001–2017 change		
	total ODA to HDI – correlation	ODA per capita to HDI – correlation	ODA as % GNI to HDI – correlation	total ODA to HDI – correlation	ODA per capita to HDI – correlation	ODA as % GNI to HDI – correlation	total ODA to HDI – difference	ODA per capita to HDI – difference	ODA as % GNI to HDI – difference
EU countries and institutions	<u>-0.39</u>	<u>-0.15</u>	-0.29	-0.49	-0.03	-0.37	-0.10	0.12	-0.07
UN agencies	-0.38	0.02	<u>-0.35</u>	-0.07	0.05	-0.08	0.31	0.03	0.27
United States	-0.16	0.41	0.22	<u>-0.50</u>	<u>-0.08</u>	<u>-0.43</u>	<u>-0.34</u>	<u>-0.49</u>	<u>-0.64</u>
Japan	-0.14	-0.03	-0.31	-0.11	0.13	-0.10	0.03	0.17	0.21

Source: Author's own calculations based on OECD, 2019b and UNDP, 2019.

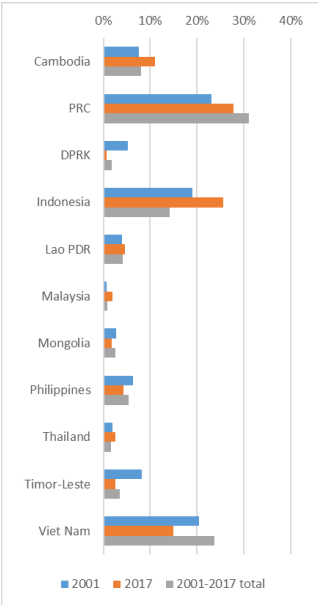


How well the correlation coefficient scores recorded in Table 4.2 match the ideal example (-1.0) presented in Figure 4.2 earlier in the text, tells us how successful, or otherwise, each of the donors listed was in its ODA targeting. From the analysis we can see that in 2001 the EU was the most successful of the listed donors in two out of three of the targeting categories presented, being outperformed only in the category of ODA as % of GNI/HDI. In 2017, the situation had changed and the US outperformed all listed donors across all categories.

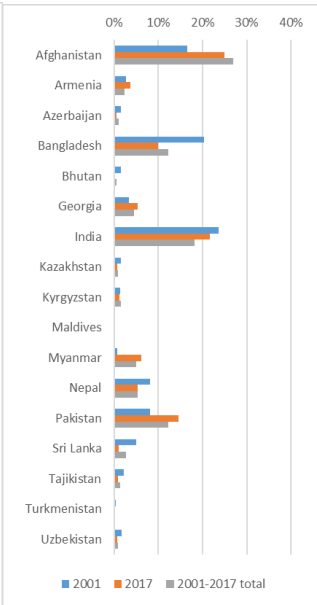
## 5. Regional Distribution of EU ODA Across Three Regions of Asia

If we look at the regional distribution of ODA made available to Asia by the EU, we can see on a country by country basis, which recipient countries received aid to meet the “significance criteria” set, i.e. 10% of the ODA offered to its particular region.

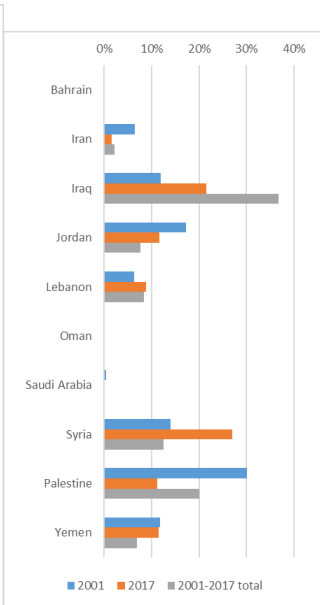
**Figure 4.9. Share in EU ODA to Far East Asia**



**Figure 4.10. Share in EU ODA to Central and South Asia**



**Figure 4.11. Share in EU ODA to Middle East**



Source: Author’s own calculations based on OECD, 2019b and UNDP, 2019.

Figures 4.9, 4.10, and 4.11 clearly show which nations received at least 10% of the EU ODA delivered to their individual region:

- **Far East Asia** – China (23% 2001 / 28% 2017), Indonesia (19% 2001 / 26% 2017), Vietnam (20% 2001 / 15% 2017), and Cambodia (8% 2001 / 11% 2017);
- **Central and South Asia** – Afghanistan (17% 2001 / 25% 2017), India (24% 2001 / 20% 2017), Bangladesh (20% 2001 / 10% in 2017), and Pakistan (8% 2001 / 15% 2017);
- **Middle East** – Iraq (12% 2001 / 21% 2017), Palestine (30% 2001 / 11% 2017), Syria (14% 2001 / 27% 2017), Jordan (17% 2001 / 12% in 2017), and Yemen (12% 2001 / 12% in 2017).

If we applied the same criteria, receipt of 10% of the regional share of ODA, to the targeting performances of the other major players for the same years, we would find similar results to those above. In most cases the same countries met the 10% significance criteria, whether the aid was coming from the EU, US, Japan or the UN. Where we see marked differences in ODA distribution, this can usually be explained by the level of importance a donor may place on any particular recipient country.

This importance obviously differs from donor to donor. The targeting of Japanese ODA can be seen as being overtly commercial. If we look at the aid it provided to Oman, a thriving economy and active importer of high-tech products, and that offered to Afghanistan, one of the Least Developed Countries, we see that Oman received more than 10% of the ODA available, while Afghanistan failed to reach the 10% threshold in its region. US targeting of aid is obviously inextricably linked to its broader foreign policy, perhaps explaining why the Philippines received over 10% of its region's US ODA, while China and India received less than this threshold in both 2001 and 2017. Unlike the three other donors, the UN obviously has no foreign or commercial policies, so, in order to explain the anomalies in its ODA targeting, we need to consider what pressures and constraints are at work within the organization. Underfunding, and conflict of interest are two major stumbling blocks to the effective targeting of UN ODA, as can be seen by the perhaps surprising results as to where this aid was, and/or was not, delivered (e.g. Lebanon received more UN ODA than war torn Iraq, Syria, and Yemen).

## 6. Broader Perspective of Donor Targeting for the Period 2001–2017

So far, we have looked at “snapshots” of 2001 and 2017. To better understand the general trend in EU ODA targeting, a broader perspective is necessary. To achieve this, a methodology is employed in which the results of measurements taken from earlier analysis are combined to produce a single total. This, in turn, is used in a final calculation to establish correlation coefficients.

Numerical values are assigned to:

A) **Recipient country’s position on the Human Development Index** – very high (0 points), high (1 point), medium (2 points), low (3 points);

B) **How well recipient’s ODA met each of the significance criteria set**, assigning values from 0 to 3 – i) an annual net ODA volume exceeding USD 100 million (1 point), – ii) a level of ODA per capita more than 25 USD **and/or** ODA/GNI ratio > 0.5% (1 point), – iii) a minimum 10% share in the regional ODA offered (1 point).

Using scores from A, assigned according to HDI level, and those from B, the sum of i, ii, and iii, yearly correlation coefficients are calculated for each recipient country for the period 2001–2017. Figure 4.12 below presents trends resulting from these calculations. Corresponding information for other ODA donors is also shown.

In assigning numerical values to HDI levels, 0 was chosen as a corresponding number for very high (on the basis that 0 ODA would be considered appropriate in any targeting decisions). A low HDI level was given the highest number, 3, to represent the highest need. This explains why +1.0 represents the ideal in Figure 4.12, as opposed to the -1.0 shown in Figure 4.2 and elsewhere.

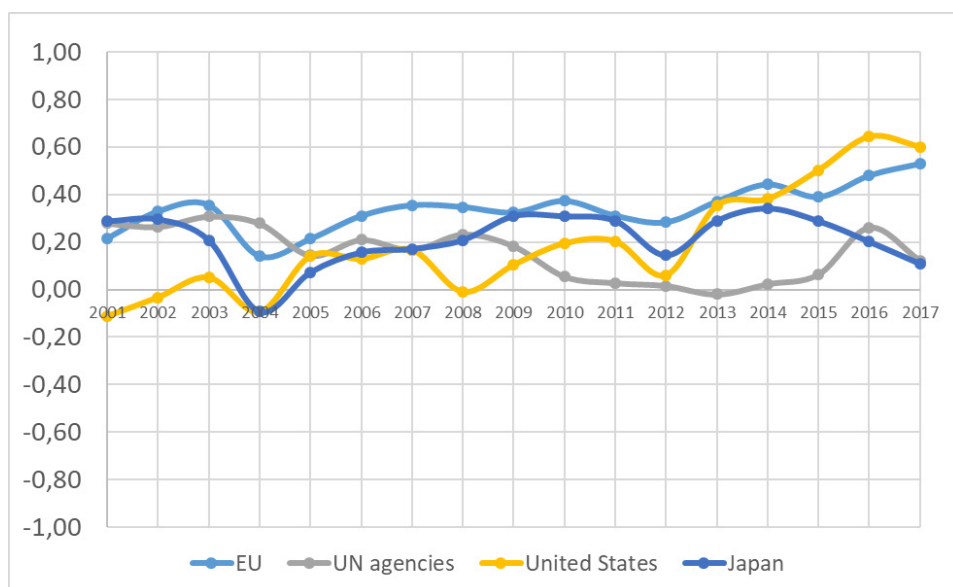
Undoubtedly, the EU should be recognized for its improved ODA targeting over the 17 year period 2001–2017, where we see the correlation coefficient (ODA/HDI) of +0.22 in 2001 go up to +0.53 in 2017. Only the US could be seen as having outperformed the EU in its targeting improvements over the same period. From a correlation coefficient of -0.11 in 2001, the US achieved an impressive +0.60 in 2017.

Possible reasons for these improvements in targeting:

- more appropriate attention being paid to the previously neglected war torn countries of the Middle East, most markedly Syria and, the Yemen;
- a thaw in Western relations with Myanmar;

- rapid social and economic development in Vietnam;
- Pakistan's transition from low HDI to middle HDI status.
- It must be noted that the effects of increased EU ODA activity in Cambodia, Indonesia, and Iran has had some influence over its targeting effectiveness, and obviously has some bearing on the final correlation coefficients arrived at.

**Figure 4.12. Correlation between Donor ODA Provision and Recipient HDI**



Source: Author's own calculations based on OECD, 2019b and UNDP, 2019.

The fact that, for the same period, both Japan and the UN failed to improve their targeting performances, in fact showing a steep downward trend in the second part of the analyzed period, is also worth noting.

## 7. Conclusion

Over the period 2001–2017, the EU significantly increased its development assistance to Asian recipient countries (it almost quadrupled from USD 4.2 billion to USD 15.7 billion), but this increase in funding was not equally enjoyed by all countries involved. Looking from three

different perspectives – the total volumes of provided ODA, ODA per capita, and ODA as a percentage of recipient's Gross National Income – we can see that certain recipient nations enjoyed more attention from the EU than others, sometimes including those in desperate need of development aid. When we consider the comparison of “total ODA” to recipient HDI, we realize that in both 2001 and 2017 Kyrgyzstan, Laos, Maldives and Tajikistan were countries which, despite having clear development problems, received limited ODA funding from the EU. China, India and Jordan, however, attracted more aid than might be expected on the basis of their individual HDI scores. Perhaps this is just a matter of scale, and obvious differences in population size can explain the noted anomalies in ODA distribution. In order to make things clearer, other indicators should be employed.

“ODA per capita” and “ODA as a percentage of GNI,” when presented in relation to HDI, reveal that in both 2001 and 2017, Bangladesh, Cambodia, India, Indonesia, Myanmar, Nepal, Pakistan, Philippines, and Vietnam, all countries with low to medium HDI status, received relatively little funding from the EU. The presented data on relative indicators under consideration suggests that, in the majority of cases, EU development assistance had a rather limited, and decreasing, influence on the overall economy of the recipient country. In both 2001 and 2017, Armenia, Georgia, and Jordan were funded well above the trend of ODA per capita to HDI score. These divergences from ODA/HDI trends show that, at least in some cases, the EU failed to recognize countries in greatest need of development assistance, or HDI was not the sole factor determining the scale of ODA provision offered to those countries.

While the recorded data clearly shows that the EU has improved the targeting of its funding in relation to recipient countries' HDI, this improvement can at best be described as moderate. When we go into more detail, we can see that in 2017 the correlation between “total ODA” to HDI scores was moderate, but in terms of “ODA as % of GNI” to HDI it was weak, and there was no linear relationship between “ODA per capita” and HDI scores. Similar proportions were observed when the same methodology was applied to the analysis of US ODA to Asia, and an even weaker correlation was noted regarding Japanese, and UN aid activities.

From the data for 2001 and 2017, we can see that where divergence from the trend represents better than expected outcomes, this was more often than not a result of a combination of political and humanitarian

factors (as in the cases of: Afghanistan, Iraq, Jordan, Lebanon, Palestine, Syria, and Timor-Leste). In the cases of China, India, and Indonesia we can see the anomalies were consequences of commercial and political factors. In Armenia, and Georgia the reasons for the anomalies may be seen as strictly political. Where anomalies from the trend represent underperformance, it is more difficult to put these down to any single political, commercial, or humanitarian factor. A lack of media attention, and the absence of significant political and economic interests are among the reasons for the EU's apparent neglect of these more needy recipients.

Despite some clear examples of problems with EU development assistance targeting in Asia, there are many cases in which the funding was appropriate to recipients' levels of human development, given that EU development activity is not driven solely by the current objectives of the EU members' foreign and economic policies.

In providing ODA, EU countries and institutions try to balance their own political and economic interests with those of recipients countries. Against a constantly changing development landscape in Asia, it comes as no surprise that we see EU ODA being employed as a tool of statecraft. The huge social problems of poverty, and mass migration, often as a result of armed conflict, require the EU and its institutions to act in real time to meet these great challenges. This means that a balance must be struck between meeting the humanitarian and social needs of those in greatest need, and the EU's own political and economic interests. Any provision of ODA by the EU obviously requires careful consideration, and can only be done in the context of already existing global commitments.

Over the longer term, constant monitoring of the relationship between ODA and recipient countries' HDI allows the EU to adjust its funding accordingly. This is done through coordinated planning and management at an EU level, with the participation of government officials, and European Commission representatives, including the EEAS. Failure to show these adjustments, illustrating fairness in the allocations of funds, would leave the EU open to accusations of politicizing ongoing development cooperation, as was the case during the Cold War era, when development assistance was blatantly exploited for political ends. Any failure to maintain the highest levels of transparency presents a serious obstacle to successful international cooperation on pressing issues like climate change, massive migration of populations, and other global emergencies.

In presenting the information above, I hope to have shown that the EU's targeting did not always effectively target its ODA, and in some cases clearly acted out of its own political and economic best interests rather than those of recipient countries.

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# **China's Rising Influence in the World**





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# **The Belt & Road Initiative and Its Impact on Central Asia Kazakhstan: A Case Study**

## **Abstract**

*China's Belt and Road Initiative is an ambitious plan which can be termed as part of a Chinese grand strategy that seeks to mitigate its internal weaknesses and project power outwards, underpinned by its economic surplus. Central Asia is at the heart of the land road component of this project. This paper briefly looks at China's motives behind the project and then delves into the historical context and evolution of Central Asia. It further highlights the geographical logic behind Central Asia's importance to the initiative and how it shapes the narrative. As a case study, Kazakhstan, due to its sheer size and proximity, is highlighted by looking at its significance to the Belt and Road Initiative and the visible impact, potential opportunities and pitfalls for the country.*

**Keywords:** *China, Kazakhstan, geopolitics, Silk Road, soft power*

## **1. Introduction**

The Belt and Road Initiative (BRI) is the flagship program of the Chinese President Xi Jinping, comprising of the land-based "Silk Road Economic Belt (SREB)," passing through the Eurasian heartland of Central Asia, and the sea-going "21<sup>st</sup> Century Maritime Silk Road," traversing the vital Indian Ocean littorals (Koparkar, 2017). It combines new and old projects, covers an expansive geographic area, and includes efforts to

build hard infrastructure and push soft power by developing cultural ties. It is aimed at furthering Chinese geo-strategic, economic and political interests and to cement China's status as a rising superpower. In other words, it is an all-encompassing grand vision initiative given by Xi Jinping to catapult China into great power status and restore China's lost glory.

Although it is a Chinese led initiative, the Chinese government has tried to project the Belt and Road Initiative as a "win-win" for all. At the first Belt and Road Forum in Beijing in May 2017, President Xi Jinping remarked that, "In pursuing the Belt and Road Initiative, we should focus on the fundamental issue of development, release the growth potential of various countries and achieve economic integration and interconnected development and deliver benefits to all" (Xinhua, 2017).

By increasing the amount of trade, investment, and connectivity between China and countries throughout Eurasia, Beijing aims to promote use of its currency (Renminbi) further, make other economies more intertwined with the Chinese economy, and shape rules and norms for the emerging global order.

The project, so far, touches 138 countries with a combined Gross Domestic Product of about \$29 trillion and some 4.6 billion people (ChinaPower CSIS). Apart from exporting its excess capital and manufacturing capacity to countries desperate for infrastructure investments and development, China aims to develop and integrate its restive western province of Xinjiang, with the larger Eurasian economy. This would also help, China hopes, in bridging the inequality between rich coastal cities and the poor hinterland. In this context, Central Asia and specifically, Kazakhstan, acquires the most significant role and forms the thrust of the Silk Road Economic Belt strategy.

## 2. Historical Context

The ancient Silk Road started during the westward expansion of China's Han Dynasty (206 BCE–220 CE). It spawned trade networks throughout what are today the Central Asian countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, as well as modern-day Afghanistan, India, and Pakistan to the south. These routes extended over four thousand miles to Europe. BRI is banking on reviving the old Silk Road, as is evident from both its components names. Silk Road refers to the network of trade routes that existed in ancient times be-

tween various parts of Asia and Europe. Up until the 16<sup>th</sup> century, Central Asia was a hub for commerce, science and exchange of ideas connecting eastern and western markets, spurring immense wealth, and intermixing cultural and religious traditions. Valuable products such as Chinese silk, spices, jade, and other goods moved west, while gold and other precious metals, ivory, and glass products moved east (Chatzky and McBride, 2019). However, the rise of more profitable sea-borne shipping routes led to the stagnation of the land based Silk Road trade and thereby of the region. Afterwards, the region became a playground of geopolitical rivalry in the so-called Great Game between the Russian and British empires, and further went into oblivion throughout the Soviet Era (Turkstra, 2018).

During Soviet rule, the Russians developed a “hub and spoke” kind of network of roads, railways and other transport links with Russia being the hub (or core) and the different parts of Central Asia being the spokes (or the periphery). The aim was to canalize the export of resources extracted from the resource rich parts of Central Asia towards the Russian mainland. The region was mostly cut-off from the rest of the world. It further helped in tightening the Soviet grip on the region and created a dependency. Hence, from the thriving meeting point of Eurasian inter-connectedness, the region became a Soviet backyard.

After the collapse of the Soviet Union, Central Asian republics gained independence in 1991. Despite their initial reluctant espousal of nationalism and inward-looking approach, the republics slowly gained confidence and started the task of nation-building and economic development. In this endeavor, all the republics faced the challenge of weak institutions and tried to forge different paths. Kyrgyzstan witnessed civil war and unrest, whereas Turkmenistan and Uzbekistan chose an isolationist path. Tajikistan remained mired in poverty and weak governance. Under a steadfast ruler and relatively open resource rich economy, Kazakhstan emerged as the most confident and surged ahead more successfully than the rest.

### 3. Geographical Dilemma

In the words of the British geographer and geopolitical strategist, Sir Halford Mackinder, Central Asia constitutes the “pivot” of the Eurasian heartland. The heartland theory proposed by Mackinder saw the pivot as the key to dominating the Eurasian landmass (Chen & Fazilov, 2018). Apart from historical experiences, geography has played a key role in

shaping the perspectives of the Central Asian Republics (CARs). Sandwiched between two major powers, Russia and China, and bordering the resource rich Caspian region, as well as brushing West and South Asia, none of the Central Asian states has direct access to an open sea.

This landlocked geography has developed a kind of psychological claustrophobia that impacts the way Central Asian states behave. Firstly, there is a conscious effort underway in all these states to diversify their trade and other relations away from Russia. Although Russia still wields significant cultural, political and economic influence in the region, the countries are welcoming outside powers, prominently China, to balance it. Secondly, there is a realization among the ruling classes that they need to integrate more closely with the world economy and develop modern infrastructure to facilitate growth for fulfilling the needs of their young, and, in many cases, restive, populations.

## 4. Kazakhstan – Land of the Wanderers

### *a. Significance in BRI*

Kazakhstan is described as a vast flat steppe land. It is the largest landlocked country in the world and also the region's largest in terms of area, extending from the Volga in the west to the Altai Mountains in the east, and from the plains of western Siberia in the north, to the oases and deserts of Central Asia in the south (CIA World Fact book). The vast openness and huge expanse is in contrast to the country's relatively low population of roughly 18 million. The country was considered politically stable under the rule of President Nursultan Nazarbayev, who ruled the country from its independence until his resignation in 2019. How stable and successful his successor will be remains to be seen. In any case, Nazarbayev is still seen as the key figure wielding real power (Mallinson, 2019).

Economically, Kazakhstan is the most powerful of all the Central Asian states largely due to the country's vast natural resources. It is no wonder then that the Chinese President Xi Jinping chose Nazarbayev University in Astana, Kazakhstan's capital, to announce the 'Belt and Road Initiative' back in 2013. It symbolized the centrality of Kazakhstan in the land based component of the BRI, i.e. "Silk Road Economic Belt (SREB)" (Xiao, 2018).

Kazakhstan is the critical pillar in two of the proposed six economic corridors under BRI, namely the *New Eurasian Land Bridge*, connecting China and Europe via Central Asia, and the *China-Central Asia-West Asia Corridor* (Bitabarova, 2018). Being the largest of the Central Asian Republics in terms of area and economic weight, Kazakhstan has been the most confident and enthusiastic supporter of the BRI, unlike some of the others in the region which are still uncertain, circumspect or less confident in dealing with a giant neighbor like China. Moreover, Kazakhstan is viewed as relatively much more stable and peaceful than its Central Asian neighbors.

### *b. Economic Impact*

Although the economic relationship between China and Kazakhstan had been developing well before BRI, the project has given a fillip to the relationship and there is a new momentum to it. According to trade statistics from the Chinese Embassy in Kazakhstan, bilateral trade volume between the two countries has reached almost \$100 billion. China is Kazakhstan's second-largest trading partner, export destination and source of imports (Xiaojing, 2018a).

In 2015, the Kazakh President aligned its national development strategy by forging the "NurlyZhol" (Bright Path) program together with China's BRI in order to further boost trade, and industrial and technological capacity. The Bright Path foresees investments up to US \$40 billion by 2020 in logistics, public services, SMEs and other infrastructure (Belt & Road Advisory, 2018). The Central Asian country hopes to project the dry land port of Khorgos (part of NurlyZhol) as a transit hub for freight traffic flowing between China and Europe. Khorgos, located 350 km north-east of Almaty, Kazakhstan's most populous city, has significantly impacted the Almaty region, which shares a 700-kilometre border with China and is one of the largest agro-industrial and fastest growing parts of Kazakhstan (Altynsarina, 2018). Using the dry port of Khorgos, cargo can be shipped from a Chinese port, to reach Europe in less than 15 days, faster than by sea and much cheaper than by air. This, in turn, presents Kazakhstan with an opportunity to leverage its strategic location to develop an inland logistics industry (Suzuki, 2019).

Kazakhstan also has a stated goal to transition from a middle income country to a high income country by 2050 and seeks to reduce its dependence on the export of natural resources by diversification of the economy.

For instance, its Digital Kazakhstan 2020 program envisages the creation of a Digital Silk Road where it wants to leverage the Chinese investments and technology to transition into a digital services based economy (Belt & Road Advisory, 2018).

The principal economic concern regarding China's BRI all over the world has been its "debt-trap" tactics (Furukawa, 2018; Ching, 2018). Debt-trap is a way of dishing out outlandish loans to different country's without asking too many questions. In return, when the indebted country is unable to return that loan, China takes over strategic infrastructure in that country and applies further diplomatic pressure. The most cited example of this debt-trap ploy is Sri Lanka's Hambantota Port. There is a growing realization in Africa and South East Asia of the need to scrutinize BRI projects more carefully and assess their viability. Kazakhstan also would need to be more careful in implementing BRI projects and ask for more transparency from China and assess the long term sustainability of some of the projects. It has tried to mitigate that somewhat with its "multi-vector" foreign policy by engaging other outside powers. For instance, it has invited other foreign investors to invest in its infrastructure as well. Another concern is the potential environmental damage these projects could have. The region has already witnessed the drying up of the Aral Sea and dwindling water resources. Economic development should not come at the cost of environment protection as Chinese projects are known to disregard environmental standards.

### *c. Socio-Political Impact*

The asymmetry of population, industrial capacity and Chinese predatory policies create a perception and fear of an influx of Chinese migrant labor into Kazakhstan and flooding of Kazakh markets with cheap Chinese products in return for raw material extraction. For instance, in 2016 when the Kazakh government tried to change land lease policies, extending from 10 to 25 years, it created unforeseen unrest and led to protests in many cities of Kazakhstan. The perception that Chinese investors would buy those lands and take over played a huge role in this and led to the President reversing the decision and putting a moratorium on it (Kirisici & LeCorre, 2018).

The significant factor behind the lure of Chinese and earlier Russian investments has been the 'no strings attached' policy of those countries.

The Chinese, unlike their Western counterparts, do not give moral lectures on human rights, political freedoms, etc. and, hence, are a more appealing partner to countries like Kazakhstan, which have been ruled with an iron fist by strongmen like Nursultan Nazarbayev.

Another factor is the Chinese support and reiteration for the territorial integrity and sovereignty of all Central Asian states. In light of the nascent stage of building national state identities as well as challenges posed by radical separatism, this is a particularly sensitive subject in the region. This helps China and respective countries to give legitimacy to their policy of securitization and crackdown heavily on any form of dissent. It further deepens the grip of ruling elites in the country and provides diplomatic cover to shield themselves from harsh criticism in the West of such policies.

Other than economic and political outreach, China has also given a 'soft power' push to its dealings with Kazakhstan. Having learnt its lessons in Africa about misperception and the importance of reaching out to the local populations, China has embedded its cultural or Confucian diplomacy within BRI. As a result, China has setup five Confucius Institutes in Kazakhstan and has welcomed the launch of five Kazakhstan language and culture centers in China. While announcing the SREB, Xi announced that China would extend 30,000 scholarships to SCO countries and invited 200 faculty members and students from Nazarbayev University to go to China the following year for summer camps (Voices on Central Asia, 2018). According to the Chinese Embassy in Kazakhstan, there are currently 14,000 Kazakhstan students in China (Xiaojing, 2018b). By fostering people-to-people ties, China hopes to create goodwill ambassadors for itself in Kazakhstan who would help in projecting a positive image of China and also offset the pervasive, but waning, Russian influence.

As Joseph Nye, who coined the term "soft power," points out, though, that projection of soft power driven by government machinery has severe limitations (Nye, 2004). Soft power, by its very formless nature, is based on the power of attraction and appeal. It is a form of persuasive power that shapes peoples views positively. It cannot be exuded easily by an authoritarian system as exemplified by the Communist Party of China. This is borne out looking at the issue of ethnic Kazakhs in Xinjiang province of China. About 1.5 million ethnic Kazakhs form the second largest Turkic speaking community in Xinjiang, a region that borders Central Asia and has long been home to ethnic tensions. There have been cases of



missing persons and forced internment into “re-education camps” by the Chinese authorities (Euractiv.com, 2018). Consequently, there has been an exodus of ethnic Kazakhs into Kazakhstan. The way Beijing has dealt with its Muslim population could easily stir emotions in the region and exacerbate anti-China feelings. The region has witnessed radical Islamic insurgency and extremism in the past. Such issues, therefore, dent the Chinese “soft power” push in Kazakhstan. Local people might expect the Kazakh government to speak out and confront China on such humanitarian issue; but the government of Kazakhstan has so far avoided criticizing China’s Xinjiang policies, something that shows a further cleavage between the ruling elites and the local people in the country (Kozhanova, 2019; Reuters, 2019).

## 5. Conclusion

The scope and scale of the Belt and Road Initiative is grand, and even if China accomplishes sixty to seventy percent of what it wants to achieve, it would have far reaching consequences for the international order. The project aims to expand China’s economic and political sphere of influence far beyond its borders by impacting 60 percent of the world’s population. It envisions resurrecting the ancient Silk Road routes and developing an interwoven web of ports and hubs along the Eurasian landmass. It can be seen as a strategy for China to look for new investment opportunities, find export markets, and manage economic downturn at home. The initiative is, however, not only the most ambitious infrastructure investment effort in history, but should also be seen in the context of China’s effort to effect change in the global balance of power. Nowhere is it going to be more visible and felt than at the heart of Eurasia, Central Asia. This is more so because of the impersonal forces of history and geography that shape the perceptions and policies of countries in the region. The landlocked region, once described as the pivot of Eurasia, is resource rich yet sparsely populated. The crossroads position of the region underscores the crucial role it would play in the BRI endeavor.

Within Central Asia, Kazakhstan has the largest footprint and the most significant role in the BRI. Its sheer size and economic potential puts it at the heart of China’s Silk Road strategy. At the governmental level, Kazakhstan has partnered wholeheartedly with China to enmesh its own developmental goals with that of BRI; but it still needs to pay

attention to the gap between rhetoric and reality when it comes to actual benefits for the country. Another complicating factor for Nursultan is Beijing's crackdown and harsh policies in its restive Xinjiang province that directly abuts Kazakhstan. The issue of internment of ethnic Kazakhs and Uyghur Muslims in Xinjiang is socially troublesome for Kazakhstan and can derail China's soft power push into the region. While undoubtedly there are significant economic opportunities for Central Asian Republics (CARs) in the One Belt One Road project that can help them develop and transform into modern 21<sup>st</sup> economies, the states need to be extremely cautious of the various associated pitfalls in the implementation of the project and what it would entail.

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## **The Patron-Client Concept in Relations between the People's Republic of China and the Philippines**

### **Abstract**

*Over the past few years, bilateral relations between China and the Philippines have changed dramatically; all thanks to the presidential election won by Rodrigo Duterte in mid-2016, who focused on improving relations with China, at the expense of the United States. Given the characteristics of rapprochement between these countries, their bilateral relations will be presented based on an analysis of the patron-client concept. This concept is built on the dyadic relationship between participants with unequal status. A stronger country in economic and military terms, serving as a patron, takes care of a weaker client, in exchange for its broadly understood loyalty. China as an entity with a long civilization dominance in East Asia, one of the largest economies in the world, as well as an actor with growing military potential is part of this assumption. The purpose of this research will be to prove that the Philippines through its political decisions and economic relations with the People's Republic of China appears to be the client.*

*It should be emphasized that China as the patron of another member state of the Association of South-East Asian Nations (ASEAN), will strengthen its position in the context of negotiations on the final version of the Code of Conduct on the South China Sea. The economic and military support of the Philippines by granting loans and increasing trade, as well as organizing joint military maneuvers, as per clientelism, can result in the subordination of the Manila government to the Beijing authorities, which ultimately may result in greater destabilization of decision-making processes in ASEAN, already hampered by the economic asymmetry of individual member states.*

**Keywords:** China, Philippines, Association of South-East Asian Nations (ASEAN), Southeast Asia, patron-client, South China Sea

## 1. Introduction

Since the 2008 global financial crisis, which, contrary to its name, has not left the same mark on all countries, China's position has been strengthening all the time. The expansion of government influence in Beijing is best seen by the example of Southeast Asia, with the Philippines best reflecting the rivalry between China and the United States in the region. Since the Philippines regained independence in 1946, the United States has been the biggest ally of the government in Manila. With the election won by Rodrigo Duterte in 2016, a drastic change has been seen when it comes to the Philippines' main ally. At the heart of the relationship between these three countries is the territorial dispute in the South China Sea, which plays a key role in the economic and energy security of many countries in the world, because the main sea trade routes run through this sea.

The purpose of the article is to analyze China–Philippines bilateral relations based on the theoretical concept of patron-client. The author will refer, among other things, to the definition developed by James Scott, as well as the book by Christopher Shoemaker and John Spanier, who were among the first to use this concept to analyze international relations during the Cold War period (Shoemaker & Spanier, 1984). In the first part, the concept itself will be discussed and four groups of variables will be distinguished. I shall then proceed to a brief outline of the historical relationship between China and the Philippines, where key issues affecting bilateral relations between these countries will be presented. At the beginning of the last part of the article, the change in the way China conducts foreign policy since Xi Jinping took power, which, according to the author, has largely contributed to changing China's position in the region, and has also influenced a new opening in China–Philippines relations, will be introduced. Then, an analysis of bilateral relations is conducted based on three kinds of variables that are distinctive features of the patron-client concept.

Thanks to the analysis, it will be possible to answer a number of research questions, such as: do China–Philippines relations match the characteristics of the patron-client concept? What are the biggest obstacles in forming and maintaining this type of relationship? How will China–Philippines rapprochement affect the future of the territorial dispute in the South China Sea? Given the strategic location of the Philippines in the region and the fact that it will be the state that will hold the presiden-

cy of ASEAN in 2021 when the Code of Conduct for the South China Sea is to be developed, the key issue is whether Manila's main government ally will be Beijing or Washington.

## 2. Patron–Client Concept

The author of one of the most comprehensive definitions of the patron-client relationship is James Scott, who defined it as a special example of dyadic relations, characterized by instrumental friendship between an actor with a higher socioeconomic status (patron), using his influence and resources to provide protection and/or benefit to the actor with a lower status (client) who repays by offering their support and assistance to the patron (Scott, 1972).

Christopher Shoemaker and John Spanier were the first to describe relations between states in the context of patron-client relations in the book *Patron-Client State Relationship. Multilateral Crises in the Nuclear Age*. They highlighted a number of key elements that are characteristic of international clientele relations. First, there must be a clear asymmetry between the countries involved in military capabilities, with the patron's advantage over the client. Moreover, a state that plays the role of a client cannot have the status of military power over an international or regional arena, and it must also be characterized by a lack of independent capacity to guarantee security. The above conditions prove that the so-called security transfer in the form of arms, training and joint maneuvers is a one-way process, and the flow is from the patron to the client (Shoemaker & Spanier, 1984).

Entities that interact with each other strive to achieve specific goals. It is the same with the patron-client concept, but they differ depending on the position and current conditions in the international environment. In their work Shoemaker and Spanier undertook to distinguish a general set of goals characteristic of both the patron and the client.

Due to the nature of clientelism, the patron seeks to exert influence and gain the greatest possible control over the client. To this end, it can pursue ideological goals by demanding changes in the client's political structure. These types of changes are possible due to the introduction of new economic practices, the reorientation of social customs and the direct takeover of control over the internal and/or external security system. A common example of the ideological goal in the foreign policy of

superpowers in relation to less developed countries – which act as clients – is respect for human rights. In the case of the United States, this is often a prerequisite for starting close economic cooperation. In turn, China does not make its trade cooperation conditional on the respect of human rights in a given country, which is one of the many reasons for China's investment success in many African countries. Evaluating a relationship based on ideological goals is very difficult for the patron, because he is rarely able to clearly determine how much advantage he has gained over his rivals. That is one of the reasons why his involvement in a relationship based on ideological goals will be much smaller than in the case of other relationships.

Another example of what the patron may aspire to achieve is international solidarity. A manifestation of this type of client compliance with the patron is a consistent vote in forums of various types of international organizations, such as the United Nations (UN), joint signing of international agreements, mutual visits by top state representatives, as well as open support for the patron's activities on the international stage. Very often, solidarity in this approach is desired by the client, because it is a clear signal to other countries to which block it belongs or – which may be even more valuable – to which it does not belong. From a patron's perspective, international solidarity is all the more valuable when it comes to changing the camp with which the client was previously identified. Contrary to ideological goals, bringing international solidarity enables the patron to gain a much greater advantage over his rivals, so he will be ready to make more sacrifices to the client to maintain this relationship.

The last type of goal on which the country playing the role of patron depends is to achieve a strategic advantage, understood in terms of gaining control over strategic areas (under the authority of the client) to achieve a military advantage over its opponents. In this way, the patron can also gain control over areas rich in natural resources that are crucial for the proper functioning of their opponents. The pursuit of strategic advantage is associated with the patron's demands to the client for access to military bases and other types of infrastructure, as well as broadly understood military cooperation in the form of joint military maneuvers, personnel exchange or mutual visits of various types of units. The relationship based on strategic advantage is the most valuable for the patron, which is why he is able to agree to far-reaching



compromises and concessions, such as giving the client access to his political and military resources.

Due to the lack of sufficient military capabilities, the main goal of the countries playing the role of the client is to gain protection against external threats. The security transfer granted by the patron, however, takes place at the expense of the client's subordination to his will, which may have the side effect of increasing nationalist sentiments.

To sum up, the degree of control that the patron has over his client depends on the type of goals he sets, as well as the client's ability to satisfy them. The relationship created in this way is not permanent, however, because the goals of the patron may change, and thus the relationship with the client will evolve.

### **3. The Patron-Client Concept in China-Philippines Relations**

The Permanent Court of Arbitration in Hague issued a judgment in favor of Manila in the Philippines vs. China on July 12, 2016, in which it undermined the legitimacy of Chinese claims in the South China Sea expressed with the help of the 9-dash lines. The announcement of the judgment, however, coincided with the presidential election in the Philippines, in which former governor of Davaos – Rodrigo Duterte – took over the highest office in the state (Campbell, 2016). After being sworn in as president in June 2016, Duterte decided not to use the court's ruling in his foreign policy against China, which was a clear signal of a new opening in relations between these countries. Considering these circumstances, it can be stated that since then we have been dealing with patron-client relations.

Asymmetry in terms of military capabilities is one of the most important distinctive features of this type of dyadic relationship. The advantage of the PRC over the Philippines is overwhelming, both in terms of the number of soldiers, the quantity and quality of equipment, and defense budget (Table 6.1).

There is also a clear difference between these countries in the size of the economy and trade (Table 6.2), which can be seen from the analysis of data from 2017. According to this information, it can be unequivocally stated that China is the patron in this relationship, while the Philippines, as a country with much lower potential, fits the role of a client.



**Table 6.1. Military Comparison**

	China	Philippines
Defense budget	228 bln USD (1,9%GDP)	3 bln USD (1.3% GDP)
Active soldiers	2.3 mln	180,000
Tanks	7760	0
Armoured fighting vehicles	6000	672
Total artillery	9726	323
Navy	780	129
Air Forces	4182	219

Source: Military power of China & Philippines, 2019.

The overriding goal in Beijing’s relationship with Manila is to secure its influence in the South China Sea, which will allow access to rich deposits of natural resources, as well as gaining strategic advantage in the region by controlling sea trade routes. In accordance with the characteristics of the patron-client relationship given by Shoemaker & Spanier, we can analyze the interactions between the Philippines and China since 2016 and determine to what extent they fit into ideological and strategic goals and building international solidarity.

**Table 6.2. Economy Comparison**

	China	Philippines
GDP	12,237,700 bln USD	313,595 bln USD
GNI	8,690.00 USD	3,660.00 USD
Import	1,843,793 bln USD	101,889 bln USD
Export	2,263,371 bln USD	68,713 bln USD

Source: Trade Summary of China and Philippines, 2017.

The foreign policy of the new President of the Philippines was largely influenced by the internal situation in the country, and above all promises from the election campaign. The main points must certainly include the promises to fight drug crime and terrorism, and of an extensive infrastructure development program. In these three cases, Beijing’s support was expected to play a key role.

The first of them, namely the campaign against drug traffickers, quickly became a topic of debate in the international arena due to reports of the brutality of Filipino law enforcement agencies as well as the grow-

ing number of deaths, not only among criminals but also among civilians. In addition to the brutal fight against organized crime groups, it was proposed to restore the death penalty and lower the minimum age limit for criminal liability from 15 to 9 years. The purpose of the amendment to the act was to discourage criminals from using children in their activities, who, in the event of detention, could not be charged (Baldwin & Marshall, 2017). Rising concerns of public opinion and human rights groups prompted the House of Representatives to amend the law by reducing the maximum age to 12 years. However, the Senate did not reach an agreement and the bill was not adopted.

The ever-growing number of victims of the war on drugs, which, according to some opposition representatives, is the president's tool for eliminating his political opponents, had to meet with the international community's response, with the International Criminal Court (ICC) coming to the fore. The court's attention was first brought to the situation in the Philippines by Filipino lawyer Jude Sabio, who filed a lawsuit against Rodrigo Duterte in April 2017 accusing him of ordering murders while he was still governor of Davao, as well as crimes against humanity through the anti-drug campaign in the country. In February of the following year, the ICC prosecutor announced the initiation of proceedings on combating drug abuse in the Philippines, as a result of which, according to official statistics, four thousand people had already died<sup>1</sup> (Ellis-Petersen, 2018).

The government's response was swift and decisive: a letter was sent to the UN stating that the Philippines would withdraw from the ratification of the Rome Statute of the International Criminal Court with immediate effect. According to ICC regulations, exactly one year later, the Philippines became the second state in history to officially withdrew from the court's jurisdiction (Janvic, 2019). China, as a country with clearly more international influence, sided with the Philippines, both at the beginning of the drug campaign and during the dispute with the ICC, and criticized the court for politicizing human rights issues and using them against legally elected state authorities (Foreign Ministry Spokesperson Lu Kang's Regular Press Conference, 2018). This is a perfect example of building international solidarity, as well as evidence of how seriously Beijing treats the sovereignty of the state, with particular emphasis on the lack of intervention in the internal affairs of the country.

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1 According to unofficial numbers, this already exceeds 8 thousand victims.

In addition to the ICC, the case was also dealt with by the UN Human Rights Council following Iceland's motion for a resolution on the situation in the Philippines regarding recent reports of the killing of 5,000 suspected drug traffickers (according to unofficial data over 27,000) during the three years of Duterte's presidency. Resolution A/HRC/41/L.20 received 15 votes in favor, 14 against (both Philippines and China were in this group), and the other 15 abstained (Annual report of the United Nations High Commissioner for Human Rights and reports of the Office of the High Commissioner and the Secretary-General, 2019).

From the very beginning of the struggle against drug crime, Beijing has supported the flagship campaign of Rodrigo Duterte on various levels. In addition to political support in the international arena, there was also military assistance. In the second half of 2016, the American Senator Ben Cardin, with the support of the Foreign Affairs Committee, suspended the transfer of 26,000 machine guns for the Philippine army. In this way Washington has made it clear that it will not support human rights violations (Moore, 2016). The President of the Philippines criticized this decision of the Congress and announced that he would seek support from major American rivals, namely China and Russia. The first supply of weapons from China to the Philippines was carried out in July 2017. Machine and sniper rifles and ammunition totaling USD 7.35 million were handed over to Filipino armed forces fighting Muslim extremists in the south of the country in Marawi (Yang, 2017). Furthermore, the Chinese authorities provided financial assistance to victims of fighting in Marawi in the amount of USD 300,000. In this way, Beijing replaced its main rivals as the main advocate in the fight against terrorism in Southeast Asia. This kind of support is obviously not one-sided. It must be remembered that the image of a country fighting Muslim extremists – often active in terrorist organizations – is very convenient for China. The government in Beijing conducts an uncompromising policy in the Xinjiang province, where it effectively limits the freedom and rights of the Muslim ethnic minority, Uighurs, on the pretext of counteracting terrorist attacks and combating religious radicalism. The creation of advanced monitoring systems based on face recognition technology in Xinjiang and the unconditional detention of Uighurs in re-education camps prompted ambassadors of 22 countries, in July 2019, to sign a letter in which they urged the UN High Commissioner for Human Rights to intervene in this matter. In turn, a similar letter, but in defense of the Chinese government, was

signed by 37 ambassadors from various countries, including representatives of countries such as the Philippines, Cambodia, Burma and Laos, who are members of ASEAN (Putz, 2019).

The second batch of Chinese armaments in the form of 3,000 CQ-A5b machine guns and ammunition worth USD 3.3 million was transferred to the Philippine police in October 2017 (Yang, 2017). A year later, Beijing donated four 12-meter boats and 30 RPGs to the Philippine services. Of course, compared to American support – only in the years 2013–2018 the Philippines received military equipment worth USD 282 million – this is still marginal, but it is a symbolic change in the trend. Since the 1950s, Manila has relied on weapons almost exclusively delivered by the United States (Mogato, 2018).

The example of President Duterte's drug campaign perfectly illustrates how ideological goals are intertwined with building international solidarity. The pragmatic approach to foreign policy represented by the PRC definitely fits in with Rodrigo Duterte's way of governing the country.

In the era of rapid development of advanced technologies and the pursuit of industrial revolution 4.0, more and more emphasis is put on the construction of new telecommunications infrastructure enabling access to 5G Internet. Some of the main pioneers when it comes to this technology are Chinese telecommunications companies such as Huawei and ZTE, which are negotiating with many countries to become their main provider of 5G infrastructure. The expansion of these companies is hampered because the United States accuses them of committing intellectual property theft and engaging in intelligence activities for the government in Beijing, which poses a threat to both internal and external security. To counteract the alleged threats of cooperation with Huawei or ZTE, the US government has decided to include these companies and all smaller enterprises closely associated with them on a so-called black-list of entities, which means an obligation to obtain consent from the US Department of Commerce to purchase American components and technologies. In addition, in July 2018, the American Congress adopted the National Defense Authorization Act for Fiscal Year 2019, under which the federal government is prohibited from ordering or obtaining equipment and services from Huawei or ZTE, as well as cooperating with other entities having any connection with the above-mentioned enterprises (John S. McCain National Defense Authorization Act for Fiscal Year 2019, 2018).

The authorities in Washington recommended similar actions to their largest allies, making future cooperation dependent on it, for instance, in the exchange of intelligence. American policy towards Huawei has been adopted by Australia, New Zealand and Japan (Tao, 2018). However, a large number of Southeast Asian countries, including the Philippines, are keen to cooperate with Chinese telecommunications companies, although they add that their activities will be monitored by state agencies to prevent any irregularities. This is a balanced position aimed at developing cooperation with China, while at the same time signaling to the Americans that their warnings about Huawei and ZTE are being taken seriously. However, this does not change the fact that the Philippine army issued a statement in September 2019 confirming the signing of a preliminary agreement with the consortium Mislattel, controlled by an entrepreneur of Chinese origin Dennis Uy, who maintains close contacts with President Duterte (Petty, 2019).

There are certainly major obstacles which leaders of both countries will have to overcome. The biggest challenge will be to change the perception of the PRC by Philippine citizens who do not trust the Chinese government's declaration. According to a recent survey by PulsAsia Research Inc., in June 2019, only 26% of respondents declared that they trust China, which, compared to the United States, which obtained of 89%, is an extremely bad result (June 2019 Nationwide Survey on Public Trust in Selected Countries and Public Opinion on the Recto Bank Incident, 2019). To better illustrate the situation, it should be emphasized that in the case of China there was a decrease of 13% compared with the results from December 2018. The lack of trust in the PRC is influenced by many factors. Chinese activity in the South China Sea is the most controversial, especially within the exclusive economic zone, where various types of incidents often occur involving ships from both sides. According to data provided by the Secretary of Foreign Affairs of the Philippines, Tedoro Locsin, from the beginning of the presidency of Rodrigo Duterte in 2016 to September 2019, 63 diplomatic protests were filed in such situations (Santos, 2019).

The presence of Chinese telecommunications companies in the Philippines is also very controversial. The high level of public trust towards the United States means that American warnings about the espionage activities of Huawei, ZTE and China Mobile are taken very seriously by citizens. Hence, further decline in confidence in Beijing's foreign policy

may result. The growing reluctance of Filipinos towards China may, in the long run, impede or prevent the strengthening of bilateral relations. It is true that, according to a poll conducted in September 2019 by PulsAsia Research Inc., Rodrigo Duterte enjoys exceptionally high support at 78%, but he must consider social sentiment to effectively implement his policy. This is perfectly demonstrated by the President's speech in Congress in July 2019, where he referred directly to critics of his policy towards China, with particular emphasis on the South China Sea. Duterte argued in favor of his balanced policy towards Beijing that China has a crushing military advantage. He also added that immediately after taking the presidency at the first meeting with president Xi Jinping he raised the topic of disputed territories in the South China Sea. He was then assured that an agreement would be reached that would satisfy all parties, on condition that there will be no pressure on Beijing (Gutierrez, 2019).

President Duterte's next step, aimed at weakening his main opponents in the country, was to deprive them of the key arguments used to criticize his foreign policy. This was probably the main reason why during his fifth visit to China, where he met with Xi Jinping, he raised the topic of a favorable judgment of the Permanent Court of Arbitration from 2016 regarding Chinese claims in the South China Sea (Zhang, 2019). As might be expected, the PRC leader strongly opposed the Court's decisions. Xi Jinping, however, proposed to Duterte the possibility of joint extraction of natural resources from the bottom of the South China Sea in a ratio of 60–40 in favor of the Philippines (Petty, 2019). The president of the Philippines not only deprived the opposition of the key argument, but proved that it is possible to cooperate with Beijing on terms favorable to both sides. What is more, during the first visit of Xi Jinping to the Philippines on November 2018 a crucial protocol was signed concerning natural resources. At the end of October 2019, the protocol arrangements were executed by establishing a committee for the extraction of crude oil and natural gas, whose task will be to determine from which areas joint extraction of natural resources in the South China Sea will start (Tomacruz, 2019).

The thread of international solidarity appeared at the beginning of the subsection, where issues related to the drug campaign of President Duterte and reciprocal interactions of China and the Philippines with the ICC and the UN were discussed. However, this topic has not been fully analyzed, as mutual visits at the highest level, as well as the type

and number of bilateral agreements signed, play an important role. The change in the direction of the foreign policy of the Philippines, which is currently more oriented towards China, at the expense of relations with the United States is demonstrated by official presidential visits.

Table 6.3. State Visits

	China	United States	Philippines
<b>Rodrigo Duterte</b> (30.06.2016 – 30.06.2022)	5	0	–
<b>Benigno Aquino III</b> (30.06.2010 – 30.06.2016)	2	7	–
<b>Donald Trump</b> (20.01.2017 – ?)	1	–	1
<b>Barack Obama</b> (20.01.2009 – 20.01.2017)	3	–	2
<b>Xi Jinping</b> (14.03.2013 – ?)	–	4	2
<b>Hu Jintao</b> (15.03.2003 – 14.03.2013)	–	2	1

Source: Author’s own study based on information provided by Ministry of Foreign Affairs of each country.

According to the data contained in Table 6.3, the current President of the Philippines, Rodrigo Duterte, had already made five visits to China since taking his position in mid-2016 by September 2019, while his predecessor during his entire six-year term of office was in China only twice, with the second visit related to the 22nd APEC Summit. The difference is even greater in the case of visits of Filipino presidents to the United States, because Benigno Aquino III visited the country seven times, while Rodrigo Duterte did not go there once in three years. After analyzing this set of information, it can be clearly stated that Beijing is now at the center of the Philippines’ foreign policy, which is another argument confirming the thesis about the shaping of the patron-client relationship. It is worth noting that two visits by Xi Jinping to the Philippines, the first of which took place during the presidency of Benigno Aquino III in November 2015 at the 27th APEC summit, while the second on November 2018, were to emphasize the new opening in bilateral relations between China and the Philippines. In this way, a clear message was sent that from now on the Philippines are going to be in the Chinese sphere of influence.



Another form of assessing international solidarity between countries is the number of contracts signed. The number of high-level visits from the end of June 2016 to September 2019 between China and the Philippines is reflected in the impressive number of bilateral agreements signed (Table 6.4). Only the pace of implementation of these agreements raises concerns. Of the 27 documents signed in 2016, China has committed to supporting Manila with investments totaling USD 24 billion and loans totaling USD 9 billion. After two years, Beijing had transferred only USD 73 million for an irrigation system project in the north of the capital and USD 75 million for the construction of two bridges (Koutsoukis & Yap, 2018). Despite numerous declarations made in the context of the Belt and Road Initiative, which is unequivocally identified with the development of infrastructure, in terms of investments in Southeast Asia, Japan is currently dominating this field in spite of China's efforts. According to the data presented in the latest Fitch Solutions report, the value of infrastructure projects implemented by Japan in the region reached USD 367 billion and China's USD 255 billion. In terms of project value, Japan is ahead of China in Vietnam and the Philippines, while China is investing more in Indonesia, Singapore, Thailand and Malaysia (Jamrisko, 2019). Everything seems to indicate that Beijing must intensify its commitment in the Philippines if it wants to comply with the agreements. On the other hand, however, further financial transfers may depend on certain actions that are required from the Manila government, for example in the context of the South China Sea.

**Table 6.4. Bilateral Agreements**

	China – Philippines	US – Philippines
October 2016 – Rodrigo Duterte's first visit to China	27	–
November 2017 – Li Keqiang's visit to the Philippines	14	–
April 2018 – Rodrigo Duterte's third visit to China	6	–
April 2019 – Rodrigo Duterte's fourth visit to China	19	–
August 2019 – Rodrigo Duterte's fifth visit to China	6	–
November 2017 – Donald Trump's first visit to the Philippines	–	0
In total:	72	0

Source: Author's own study based on media coverage.



Rodrigo Duterte’s foreign policy is not conducive to signing new agreements with the United States, which is certainly influenced by the lower frequency of meetings between representatives of both sides. However, Americans still have extremely important agreements signed with the Philippines regarding military cooperation. The most important are the Mutual Defense Treaty of 1951 and the Visiting Forces Agreement of 1999. These documents were supplemented in 2002 and 2007 by the Mutual Logistics Support Agreement, and the Enhanced Defense Cooperation Agreement from 2014 (Blanco Pitlo III, 2017). From Beijing’s point of view, it should be emphasized that despite the long tradition of US-Philippines cooperation in the field of security and defense, President Duterte has repeatedly suggested withdrawing from the agreement under which American soldiers may stay on the territory of the state (Davis, 2017). American ships continue to enter Philippine ports, where such visits are often accompanied by various types of training, but there is a clear decrease in the number of such events.

Strategic objectives are the third and last group of key goals from the patron’s perspective. China has already achieved a significant strategic advantage in the South China Sea because it controls the largest number of islands, reefs and atolls (Table 6.5). The beginning of China’s expansion dates to 2012, when the Scarborough Shoal was taken over. A year later, intensive land reclamation and the creation of so-called artificial islands started. Firstly, runways and navy ports were gradually built on the islands. After that, anti-aircraft weapons and anti-ship missile launchers were also deployed (Stashwick, 2019).

Table 6.5. List of Islands under Control of Each Country

	Spratly Islands	Paracel Islands
China	7	20
Philippines	9	–
Malaysia	5	–
Vietnam*	21	–
Taiwan	1	–

\* Vietnam occupies between 49 and 51 outposts (the status of two construction projects on Cornwallis South Reef is unclear)

Source: Occupation and Island Building, 2019.

Beijing is not content with the gains it has made so far and is constantly putting pressure on countries involved in the territorial dispute in

the South China Sea. In the case of the Philippines, Thitu Island, which Manila has controlled since 1970, enjoys great interest from the Chinese side. It is the largest island under the jurisdiction of the Philippines, which is the subject of dispute, on which there is a runway and a small army contingent, together with civilians. According to reports by the Philippine intelligence services, there are constantly over 200 Chinese fishing boats and coast guard vessels around the island. The unusually large presence of Chinese vessels in this region leads to frequent incidents with Filipino fishermen who report fisheries being blocked near Thitu Island (Dancel, 2019).

China's strategy towards islands in the South China Sea also involves the use of economic mechanisms. During the second Belt and Road initiative forum, President Duterte and Xi Jinping negotiated investments in three Philippine islands worth USD 12.16 billion. Chinese companies are to be responsible for building smart cities along with tourist centers on the islands of Fuga, Babuyan and Batanes (Mangosing, 2019). As the first of these, Fong Zhi Enterprise Corporation has already signed a USD 2 billion deal with the island's owner, Isla Fuga Pacific Resorts. The involvement of Chinese companies in the development of infrastructure on islands of key strategic importance for the security of the Philippines has raised the concern of the Secretary of Defense. This was the main reason why Dolphin Lorenzana pushed through the signing of an agreement on the construction of a Philippine Navy outpost on Fuga Island, thanks to which the interests of the state will be protected, and most importantly, it will allow control of the actions taken by the Fong Zhi Enterprise Corporation (Gotinga, 2019).

In addition to infrastructure investments, Beijing is showing interest in taking over the port at Subic Bay, which was used by the US Navy until 1992. The port that was transformed into a shipyard by the South Korean branch of Hanjin Heavy Industries and Construction Corp. declared bankruptcy in January 2019 with a total debt of USD 1.31 billion (Woody, 2019). Two Chinese companies (one of them state-owned) submitted their purchase offers, but reports of a possible Chinese takeover aroused objections from the Department of National Defense, and Dolphin Lorenzana proposed the takeover of the facility by the Navy.

Given the nature of the territorial dispute in the South China Sea, cooperation between the navies of individual countries is becoming a key issue. For this reason, the visit of three Chinese Navy ships from April 2017 in the port of the city of Davao should be considered as a serious breakthrough (Wong, 2017), especially since such an event last took place only in 2010. It

was a prelude to the first ever navy drills of ASEAN and China, which were inaugurated off the coast of the Chinese city of Zhanjiang in October 2018. The purpose of the exercises was to develop agreement between the military leaders of China and the ASEAN states, to deepen defense cooperation and strengthen mutual trust. Eight ships were involved in the maneuvers, three helicopters and more than 1,000 soldiers. Their task was to implement various scenarios, including rescue missions (Lim, 2018).

The visit of Chinese ships to the Philippines was not an isolated case, because in April 2019 a return visit took place. This time, the Philippine Navy received an invitation to celebrate the 70th anniversary of the founding of the People's Liberation Army Navy in Qingdao. The ceremony was attended by BRP Tarlac (LD-601), one of the largest naval ships in the Philippines, along with a crew of 400 sailors.

Of course, military interactions between these countries cannot yet be compared to similar cooperation between the Philippines and the United States, which take part in the Balikatan maneuvers initiated in 1991.<sup>2</sup> This is related to the much longer history of cooperation between these countries in the field of security, initiated by the signing of the Mutual Defense Treaty. In case of a continuation of the current trend of China-Philippines relations, it is very likely that China will also implement a regular naval exercise program with the Philippines, which will certainly strengthen the relationship between patron and client. A significant role in this context is played by the great activity of Chinese politicians at the highest level, which was visible during the last ASEAN summit. Most likely, the attitude of the current US President, Donald Trump, to the countries of Southeast Asia contributed to the situation in which the United States takes part in the first joint military exercises at sea with members of ASEAN a year after the analogous exercises with the People's Republic of China (Johnson, 2019).

## 4. Conclusion

The analysis carried out in the article clearly shows that such key features for the dyadic patron-client relationship as large economic and military asymmetry occur in the case of China and the Philippines, with the Chinese People's Republic having much greater potential in both these

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2 In 1995, the exercises were suspended and resumed in 1999 as a result of a dispute between the Philippines and the US regarding the terms of the Visiting Forces Agreement.

spheres. Hence, China can be identified as the patron who, through Xi Jinping's introduction of a more assertive approach in foreign policy, seeks to subordinate the Philippines, thereby taking over the position of the United States. Undoubtedly, ideological goals are connected with the leaders of both countries. They have a similar attitude to human rights and the intervention of international organizations in internal affairs of the state. Understanding at this level clearly strengthens bilateral relations. However, the biggest threat turns out to be the perception of China by Philippine society and representatives of the military with the Department of National Defense at the helm. The high level of distrust compared to the exceptionally high confidence in the United States will result in difficulties in increasing Chinese investment in the Philippines. In addition, any allegations against Beijing, such as accusations of Chinese telecommunications companies of espionage activities will be meticulously used by the opposition to further antagonize Filipinos against China.

The international activity of the Philippines and China is evidence of mutual support, and, thus, there is international solidarity for these two countries. China strongly supports President Duterte's drug campaign, as well as his decision to leave the ICC. In turn, the Philippines is on the side of China due to controversies regarding the treatment of the Muslim ethnic minority in Xinjiang. This support is expressed not only by signing a letter of support, but even in an official vote at the UN. This is a clear signal for the United States, but also for other countries in the region, about Beijing's growing influence in the Philippines.

Achieving a strategic advantage turns out to be the least explicit issue. On the one hand, the Philippines did not effectively use the judgment of The Permanent Court of Arbitration regarding Chinese claims in the South China Sea, and the passivity of the United States and other parties to the dispute allowed China to take over the vast majority of the islands in the South China Sea. However, controlling these areas is not enough to start effective extraction of natural resources. That is why the effects of the further development of the agreement on the joint extraction of China-Philippines raw materials are so important, not only for the future of bilateral relations, but also for the entire situation in the South China Sea. The advantage of the United States in the context of the navy's combat capabilities over China is still very large, which is why Beijing cannot arbitrarily start extracting raw materials from the exclusive economic zones of other countries. China must increase its commitment to military cooperation with the Philippines, if it is important for them to strengthen the

patron-client relationship. Defense treaties between the United States and the Philippines still provide Washington with an advantage in this area. Security, protection and arms transfer are the pillars of clientelism, which is why Beijing must strive to deny an American presence in the Philippines. However, given the lack of confidence among Filipinos, this process may prove lengthy. Therefore, Xi Jinping, as the president of China, must use cooperation with ASEAN to change the PRC image in the region.

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# **Political and Economic Activities of the PRC on the Balkan Peninsula Romania: A Case Study**

## **Abstract**

*The recent growing political and economic presence of the People's Republic of China on the Balkan Peninsula draws more and more attention from the European Union, the United States, and Japan, as well as Russia and Turkey. The institutionalized expression of Chinese interest in the Central and Eastern Europe region is the 16+1 format launched in Warsaw in 2012 by the then Chinese Prime Minister, Wen Jiabao, which, by definition, should be a multilateral platform for cooperation between the countries of Central and Eastern Europe and China. The current bilateral relations between China and Romania are based on the declaration of an enhanced agreement concluded in 2013. In the context of economic cooperation with China, the identification of key sectors and investment projects of Chinese interest remains the most critical task for Romanian diplomacy. In the case of Romania, the most advanced negotiation projects undertaken by Chinese entities include, among others: possible introduction of Huawei's 5G technology and the Cernavoda Nuclear Power Plant. Through quantitative and qualitative analysis, this study analyses Chinese investment in Romania as well as its limitations. The primary aim of this research is to identify Chinese motivations regarding investments in Romania, as well as their efficiency and impact on the domestic economy. In this context, the growing importance of Sino-American interactions in the region – including Romania – reflects the global tensions in relations between Washington and Beijing.*

**Keywords:** China, Romania, Multilateralism, Bilateralism, 16+1 (17+1) cooperation mechanism, USA, Trade War, Huawei, 5G



## 1. Introduction

The age of humiliation (*bainian guochi*) and a series of internal reforms led by Mao Zedong, directing emphasis onto the internal development of the state with progressive international isolationism, led the People's Republic of China into a catastrophic economic situation. The construction of the new strategy was to be based on principles rejecting economic isolationism. The first series of economic reforms and openness to the world (*gaige kaifang*), implemented in December 1978, allowed China to gradually increase its presence on the international arena – both politically and economically. The real breakthrough came after China's so-called second opening to the world, i.e. after President Deng Xiaoping's trip to the south of the country – where the effect of the reforms was most visible (Góralczyk, 2009). As a consequence, Deng Xiaoping called for the continuation of economic reforms, which caused China's rapid demand for energy resources and thus its opening to foreign markets. Under Jiang Zemin's and Zhu Rongji's leadership, the attitude in China's foreign policy underwent fundamental changes. The slow break with the "victim complex" and "age of humiliation" as well as the "great rejuvenation of the Chinese nation" (*Zhonghua minzu weida fuxing*) forced by Jiang Zemin (Mierzejewski, 2014), ultimately led to the introduction of China's official policy of opening up to the world (*zou chuqu*) in 1997. After a state visit to the African continent, Jiang Zemin advocated the creation of large state conglomerates (*da jituan*) that would be successful on the international market and also help in establishing multilateral dialogue with developing regions and countries. The first of the proposed regional cooperation formats within the multilateral institution led by the People's Republic of China was the Forum on China-Africa Cooperation (FOCAC) in 2000. Specific actions in this matter were taken as early as 1995, when The Import-Export Bank of China became the financial tool of the People's Republic of China, granting preferential loans to domestic companies showing investment interest in Africa. The establishment of FOCAC was motivated by the need to create an institutional tool for coordinating cooperation and supporting consultations at the political and business level (Zeng & Shu, 2018).

The involvement of the People's Republic of China in multilateral processes was initially most evident in the region of East Asia, where the

Middle Kingdom became a participant in forums and institutions of international cooperation, i.e. ASEAN + China, East Asia Summit (EAS) and Asia-Pacific Economic Cooperation (APEC). China's participation in these organizations is balanced by other economic and political forces, including India, Japan and the Russian Federation. Over the years, China has proposed several multilateral formats of international cooperation in which – formally or informally – it takes the role of leader, including FO-CAC, China-CELAC Forum (CCF) and the China + Central and Eastern Europe 16+1 cooperation mechanism.

The format of China's cooperation with the countries of Central, Eastern and Southern Europe 16+1 was initiated by the then Prime Minister Wen Jiabao in Warsaw in 2012. Initially, this mechanism, considered as an initiative of a Chinese politician, did not promise any significant impact in China's foreign policy. Over time, however, it has become an interesting form of promoting Chinese interests, as well as a more complex picture of the country's activities in international politics. It should be recognized that this was to lead in the long run to the creation of a mechanism of political and economic cooperation based on the division of work of format participants. The analysis of messages announced after successive summits of the 16+1 cooperation mechanism indicates three basic issues: (1) isolation of cooperation leaders with China, (2) division of work among format participants, (3) marginalization of countries not interested in the initiative. Based on the quantitative statement, it should be pointed out that the leaders of cooperation with China in the 16+1 format are: Hungary, Serbia, the Czech Republic and Poland. Countries that should be considered as intermediate are: Bulgaria, Romania, Macedonia, Latvia, Slovenia, Croatia, and countries interested in one or two sectors of cooperation are Bosnia and Herzegovina, Lithuania, Montenegro, Slovakia, Albania and Estonia (Mierzejewski, Kowalski & Ciborek, 2018).

All of the platforms proposed by Beijing have a number of common features in terms of their institutionalization, normative foundations or sectors covered by cooperation (Jakóbski, 2018). Another common feature is the clear asymmetry of trade exchange between China and individual member countries of regional cooperation formats. Therefore, for the purposes of this article, from a theoretical perspective, we shall look at the Chinese understanding of multilateralism with a basic definition.

## 2. Classic Multilateralism Vis-à-vis Its Chinese Interpretation

According to the classic definition of multilateralism presented by Robert Keohane, the term is defined as the coordination of national policies in groups of three or more countries through ad-hoc arrangements or through the use of institutional means (Keohane, 1990). The above definition is also related to theories of William Diebold and John Gerard Ruggie, who introduced the division of multilateralism into formal or actual, and normative or qualitative, respectively. However, the key to our considerations is the division introduced by Kenneth S. Donahue and Therry Warin, who divide multilateralism into two aspects. The first is hard multilateralism in which all members have equal access to information and independently participate in the decision-making process. The second is the so-called soft multilateralism, which is characterized by so-called "Mutual bilateralism" and occurs when the donor state demands certain concessions on the part of the recipient state in exchange for the assistance provided. It is worth mentioning that Donahue and Warin use constructivist theory when defining a bilateral or multilateral strategy of state policy (Jati, 2018).

With regard to "Chinese multilateralism," it should be noted at the outset that historically the People's Republic of China in its foreign policy has undertaken mainly bilateral or unilateral cooperation. This was mainly due to Confucian values and, consequently, convictions about the superiority of Chinese civilization and the Middle Kingdom over other participants on the international scene, resulting in a classic model of Chinese bilateralism (Kwieciński, 2015). In Chinese belief, it was the most effective way to conduct foreign policy, and relations with global powers were conducted in a spirit of realism (Kwieciński, 2015). In the 1970s and 1980s, we observe China's return to the active participation of the PRC in international organizations on the global scale. Joining the United Nations (1971), the International Bank for Reconstruction and Development (IBRD, 1980), and the International Monetary Fund (IMF, 1986) testified to the growing importance of multilateral foreign policy. In 1997, the PRC officially committed itself to taking an active role in multilateral diplomacy by the statement of Foreign Minister Qian Qichen. The practical adoption of multilateralism was possible thanks to the introduction of Deng Xiaoping's theory and openness to the world (1978) as well as the implementation of Jiang Zemin's Three Representation Rules (1997), because Mao's Cold War policy of "two camps" and "opposing

imperialism and revisionism" rejected multilateralism in its nominal definition (Chai, 2003). According to Wang Yizhou and Tan Xiuying, the concept of multilateral diplomacy in Chinese academic discourse did not appear until 2001, when a seminar entitled "International Economy and Politics" was organized in China for the first time (Wang & Tan, 2016). The development of multilateral diplomacy with Chinese characteristics was, therefore, perceived both as element of shaping the foreign policy strategy, but also as an element of adaptation and self-improvement. International institutions, multilateral cooperation, shared identity, collective recognition and global management have been recognized as inherent elements of multilateralism, while structural, strategic, functional and social analyses have become the main tools for studying this phenomenon.

Polish political scientist Edward Halizak considers Chinese understanding of multilateralism as an opposition not only to one-sidedness on the international stage, but also a natural inclination to a single superpower dominance in world affairs as one of the most important features (Halizak, 2005). As for Chinese scholars regarding the main understanding of multilateralism, Ye Zicheng (1998) characterizes multilateralism (multipolarization – *duojihua*) as a process of change (*hua*). In this concept, a multipolar world means adapting China's foreign policy and diplomacy and strengthening the bilateral relationship with other powers such as Russia and France to stop the United States from creating a unipolar world (Mierzejewski, 2015). Ye therefore sees polarity as an element of balance of power. In the context of Chinese theoretical considerations on multilateralism, one should also mention the definition proposed by Qin Yaqing (2001), where multilateralism (multilateralism – *duobian zhuyi*) is understood as ideology, a set of principles (-ism, - *zhuyi*). In this ideology, most important element is a multilateral institutional structure, where the nation-state remains the basic element of this structure and in the international environment there are common rules, norms and procedures in the decision-making process (*ibid.*).

### 3. Brief History of Diplomatic Relations between Romania and the People's Republic of China

The beginning of bilateral diplomatic relations between Romania and the People's Republic of China is dated October 5, 1949, however, the rapprochement between the two countries came about thanks to joint

participation in the Eastern Bloc during the Cold War. After the Sino-Soviet split at the end of the decade, the Romanian government, led by Gheorghe Gheorghiu-Dej, politically moving away from Moscow led to rapprochement with the People's Republic of China. According to Sarmiza Pencea and Iulia Monica Oehler-Sincai, Romania in the 1960s and 70s was the most important partner of the People's Republic of China in Europe. Romania, which started the industrialization process much earlier than China, adopted some Western technologies in the process. In view of the above, Romania became a very attractive partner for China, becoming China's second partner country after the Soviet Union, which actively contributed to China's industrial modernization, especially in the heavy industry and energy sectors (Pencea & Oehler-Sincai, 2012). Nicolae Ceausescu also advocated strengthening relations with the People's Republic of China, which resulted in the visit of the Romanian leader to Beijing in 1971, but changes in the state's internal policy led to the erosion of trade between the countries (Chiriu & Liu, 2015).

After the collapse of the Ceausescu regime in December 1989, the People's Republic of China immediately recognized the government of Petre Roman, giving a clear signal to warm up diplomatic relations. Unlike some Central and Eastern European countries, Romania has never questioned the policy of one China, avoided formal meetings with the Dalai Lama, did not maintain diplomatic relations with Taiwan, and did not raise the issue of respect for human rights in China. Despite the visit of Ion Iliescu to Beijing in January 1991, Romania turned to the West, which was a clear trend of the CEE countries in the 1990s during the ongoing political transformation. In 1997, in the face of the further erosion of bilateral trade, the Beijing government suspended its preferential policy of exporting Romanian goods to China, ultimately leading Romanian entrepreneurs to have almost no interest in the Chinese market. This led to a situation where, in 1999, bilateral trade recorded a record low level (USD 0.17 billion). The rapid economic growth of the People's Republic of China in the first decade of the 21st century led to an increase in Romania's trade deficit with the Middle Kingdom, which several times led to the official expression of concern over the situation by the government in Bucharest and urging the Asian partner to take steps to balance trade. The visit of the President of the PRC, Hu Jintao, in 2004 highlighted the correctness of political relations between states, establishing an "all-round friendly cooperative partnership," but Romania's accession to the

European Union in 2007 obliged the state to implement the EU Common Foreign Trade Policy, the beneficiary of which was the People's Republic of China under the General System of Preferences (GSP) and Free Trade Agreement (FTA). The above situation has had a negative impact on the Romanian economy, because increased imports of goods from China have become a serious challenge for domestic producers, consequently leading to an increasing negative balance in trade with China (Pencea & Oehler-Sincai, 2012).

In the face of a preferential policy towards Chinese emigrants from the 1990s on the Balkan Peninsula – including Romania – by the end of the first decade of the 21st century we could observe numerous SME sector enterprises and several Chinese production investments that mainly specialized in producing simple, not technologically advanced products. In addition, Romania was one of the first European countries officially selected by the Chinese government to implement the strategy introduced in 1999, the so-called “Go Out Policy” (MOFCOM). Thanks to this strategy, Chinese business representatives implemented several investments, including: Eurosport DHS – bicycle manufacturer (USD 20 million), China Tobacco International Europe (USD 35 million), Dongguan Yuncheng Plate Making Co. in Prahova Oblast in the south of the country (4 USD million), and Shantou Agricultural Machinery Equipment (USD 20 million) in Rasnov, Brasov region. In 2005, according to statistics, Romania accumulated 2/3 of Chinese investments in Central and Eastern Europe. After the implementation of the 16+1 mechanism in April 2012, the Romanian market also gained the interest of Chinese energy companies, eventually leading to the purchase of 100% of shares in Romanian Lucas Est by Chinese Renesola in September 2012, resulting in the creation of a solar farm in the Prahova region (Oleinic, 2012). The value of this investment has not been disclosed to the public.

From the perspective of seven years since the implementation of the 16+1 *ab hinc* called 17+1 mechanism (after Greece's inclusion in April, 2019) and six years from the implementation of the Belt and Road initiative, economic results as well as the quantity and value of Chinese FDI can be assessed as relatively low. Most large projects, whose value exceeds EUR 1 billion, are still in the sphere of declarations. For a long time, the most advanced negotiated project undertaken by the Chinese side was the expansion of the Cernavoda nuclear power plant by China General Nuclear Power (CGN), whose estimated value exceeds EUR 6 billion

(Dalton, 2017). Another project expected by the Romanian side is the extension and modernization of the Rovinari CHP plant worth EUR 1 billion, which according to media reports is to be undertaken by China Huadian Engineering.

It is also necessary to mention the indirect presence on the Romanian market, because Chinese investors in the process of taking over or acquiring foreign companies have become an indirect contributor to the Romanian economy, primarily in the context of maintaining and creating new jobs as well as generating revenues from paying taxes. Examples of such companies are: Pirelli (acquisition from Italian hands by ChemChina), Nider (acquisition from Dutch hands by COFCO) and Smithfield Foods (acquisition from American hands by Shuanghui International) (Pencea, 2017).

#### **4. The Economic Dimension of Romanian-Chinese Trade Cooperation**

As can be seen in Table 7.1, the value of bilateral trade in the year of entry into force of the China-Central and Eastern Europe 17+1 Cooperation Mechanism (2012) was USD 3.18 billion (export: 494.4m; import: 2687.5m). Interestingly, in 2011, i.e. a year before the implementation of the 17+1 initiative, this value was higher, as it amounted to USD 4.06 billion (export: 543.9m; import: 3524.7m). In 2012, mainly timber and wooden articles (113.9m); mechanical machinery and equipment (89.9m) as well as electrical machinery and equipment (86.0m) were exported from China to Romania. At that time, the structure of Romanian imports from China was mainly based on electrical machinery and equipment and spare parts (1614.1m); machines and mechanical devices (446.8m) as well as materials of iron or steel (98.3m). The negative foreign trade balance in Romania in the given period amounted to USD 2.98 billion.

Six years after the introduction of the cooperation mechanism of the People's Republic of China with the countries of Central and Eastern Europe (2018), the value of bilateral trade amounted to USD 5.94 billion (export: 762.2m; import: 5187.2m). The structure of Romanian exports to China in the given period changed, because electrical machinery and equipment (177.5m) had the largest share in exports, but wood and wooden articles (146.2m), and machinery and mechanical devices (117.6m) still constituted an important part of Romanian exports. Electric ma-



chines and devices still dominated in the structure of Romanian imports from China (1461.6m); machinery and mechanical appliances (1210.4m) as well as optical, photographic and cinematographic instruments and apparatus (267.7m). The negative foreign trade balance of Romania with the People's Republic of China increased by 48.3%, reaching USD 4.42 billion in 2018.

**Table 7.1. Value of the Trade between Romania and China 2011–2018**  
(USD thousand)

	2011	2012	2013	2014	2015	2016	2017	2018
<b>Import</b>	543,963	494,395	663,628	753,042	582,668	679,527	832,519	762,239
<b>Export</b>	3524,775	2687,505	2620,886	3118,610	3195,836	3794,094	4262,390	5187,269
<b>Total</b>	4068,738	3181,900	3284,514	3853,652	3778,524	4473,621	5094,909	5949,508

Source: International Trade Centre data, Trade Map – International Trade Statistics (2019).

Based on the above data, it should be stated that Romanian exports during the six years of operation of the 17+1 mechanism increased by 40.1%, slightly changing their structure, because as the value of exports increased, the share of low-processed electronic components increased in place of articles made from wood in 2012. In the same period, the value of Romanian imports from China increased by 93.0%, though its structure has not changed and electronic devices are still the dominant group of products; however, we can observe a significant increase in Romanian interest in Chinese gas turbines, which dominated imports in the machinery sector. The significant increase in Romania's negative trade balance with the People's Republic of China led to an increase in Romanian dissatisfaction, forcing Bucharest to ask Beijing several times for a renewed policy addressing this issue.

## 5. External Factors Affecting China-Romania Cooperation

Washington's relations with Bucharest are more and more clearly determining the levels of Chinese-Romanian cooperation. One of the most serious tasks for Romanian President Klaus Iohannis after his re-election is to consolidate the strategic partnership with the United States (Ciurtin,



2019). Among the key issues being discussed by both parties is the extension of cooperation within NATO, counteracting threats posed by the Russian Federation, as well as anti-corruption activities and economic relations. Particularly important for the American side is cooperation under the aforementioned NATO, where the key issue remains the remilitarization of the Black Sea area as well as avoiding threats within the critical infrastructure of the state, including avoiding cooperation with Huawei as part of creating the Romanian 5G network (Marinas, 2019). The increasing tension on Huawei in Romania, as in other CEE countries, is the aftermath of the diplomatic tension between Beijing and Washington. An escalating factor was the statement of the US ambassador to the EU, Gordon Sondland, who openly admitted that the best way out for the Balkan state would be to refrain from cooperation with the Chinese telecommunications giant (Deacu, 2019). In August 2019, a meeting of the presidents of Romania and the USA took place, during which a memorandum of understanding was signed regarding the planned technological development of Romania's 5G network. According to Sondland, Romania carried out a risk analysis using 5G networks and concluded that the use of Chinese technology is not the best solution and the US government approves this position. In response to this interview, Huawei issued a statement accusing Sondland of "unfounded allegations and interference in the Romanian business environment." The company's announcement also includes calls for specific arguments as well as stating that the whole situation is only a "politically motivated action against Huawei."

The visit of the Romanian president to the White House in August 2019 sheds new light on the potential cooperation of local operators with the Chinese giant Huawei. According to the Chinese media portal *guan-cha.cn*, Romania and the United States have agreed on the construction of the Romanian 5G network, expressed in a joint memorandum, which states that both countries will try to avoid the investment risk associated with the construction of the 5G network by the Chinese concern Huawei. The United States has granted a 90-day license for Huawei to do business in the US, thus lifting the imposition of duties on Chinese products as part of the Trade War, but they still require their European allies to be extremely cautious about negotiating terms of cooperation with the Chinese corporation. Despite the temporary license being granted, Huawei postulates that its activities in the US or European countries are excessively restricted. The portal also calculates that none of the leading European

countries categorically refused Huawei participation in the construction of a 5G network and among these countries are Germany, the United Kingdom, France, Spain, Austria, Italy, Malta, Latvia and Portugal. Another widely commented issue, especially in the PRC, having an impact on bilateral relations is the instability of the Romanian government (Han, 2018). The collapse of the ruling coalition in August 2019 may provide an opportunity for renegotiating the terms of Huawei's potential contract with the Romanian government.

The aforementioned memorandum signed by Klaus Iohannis and Donald Trump was to contain provisions regarding the criteria for choosing a 5G technology supplier. These include ethical behavior, no negative history of espionage, and transparency in shareholding structure to avoid any links with foreign governments. After signing the memorandum, President Iohannis said that it does not strictly refer to a specific company, but only defines some criteria of transparency, compliance with the rule of law, etc. The American motivation to block Huawei's activities in the CEE region is the fact that most of the region's countries are NATO members. In this context, Romania is one of the key countries of the Eastern Flank of NATO, because in 2016 elements of the American Aegis Ballistic Missile Shield were installed there. In this context, one should also mention the visit of Radosław Kędzia, Huawei's Vice President for Central and Eastern Europe and the Nordic Countries, who went to Romania to discuss a potential ban against Huawei at the 5G frequency band auction (*Huawei sends...*, 2019). The auctioneer is ANCOM (National Authority for Management and Regulation in Communications of Romania). During the visit, Radosław Kędzia expressed his surprise and described the state's action as "unjustified acceptance of vague and unfair accusations expressed by the USA." In addition, Huawei's regional vice president emphasized that the company is an important foreign investor in Romania, paying taxes of hundreds of millions of euros per year. Earlier, Radosław Kędzia did not rule out a lawsuit against the Romanian administration in the event of its imposing an unjustified ban on the operation of the company.

In the context of Chinese-Romanian cooperation in the field of energy, the interest of China General Nuclear Power (CGN) in the Cernavoda Nuclear Power Plant expansion project is noteworthy. It would seem that the proceedings of the CGN Memorandum of Understanding signed in 2015 and the Romanian Government would be complicated by the fact

that the US detained a CGN employee on charges of industrial espionage. The US has thus dragged the company onto the “blacklist of economic entities,” in theory excluding the participation of CGN in the work on nuclear energy in Romania, a US ally. Yet again, one of the leading topics was the unstable political environment in Romania, which was to limit the Chinese side in taking further steps to carry out the investment. Negotiations began in 2013, and the latest findings, excluding 2019, came from 2016. In May 2019 there was a breakthrough, as an initial agreement between Romania’s Nuclearelectrica and China’s General Nuclear (CGN) was signed (World Nuclear News, 2019). Nuclearelectrica is 80% owned by the Romanian government, while the majority of the remaining 20% is owned by the Fondul Proprietatea investment fund. The agreement concerns the extension of units 3 and 4 of the nuclear power plant in the city of Cernavoda. The document was signed in the presence of Romanian deputy prime minister Viorel Stefan, energy minister Anton Anton, PRC ambassador to Romania Jiang Yu and economic advisor to the PRC in Romania Guan Gang (Romania Insider, 2019b). The power station with the same name is located in Dobrogea, in the Constanta district near the river port on the Danube. The location of this potential Chinese investment is crucial because Romania, in the face of the presence of NATO ships in the port of Constanta, is pushing the development of logistics cooperation with China based on river transport on the Danube. Also for this reason, the potential expansion of the port of Constanta by Chinese investors has been suspended. The increased presence of NATO in the Black Sea basin is associated with the annexation of Crimea by the Russian Federation. In order to facilitate investment and avoid major controversy, the agreement calls for the creation of a joint venture. The newly created joint-venture will grant CGN 51% of shares, while Nuclearelectrica will take up the remaining 49%. This action is dictated by procedural requirements sanctioned by the European Union. The Romanian Minister of Energy, Anton, gave assurances that during the first two years a specific cooperation model will be defined along with the preparation of the nuclear power plant expansion project. CGN CEO Bian Shuming emphasized that the Chinese side is fully engaged in close cooperation with the Romanian partner. The rush on the Chinese and Romanian sides is caused by the upcoming changes in environmental regulations. As a result, several of the power plants based on coal combustion and not meeting EU requirements will be closed. The Cernavoda nuclear power plant is therefore to fulfill the

role of state energy security in the face of the implementation of these provisions. Representatives of the opposition National Liberal Party have many reservations about the contract with the Chinese company. First of all, it is about choosing a partner, CGN, which, as previously mentioned, was accused of espionage in the US (Kolbay, 2019). In addition, it is still unclear whether the proposed partnership means exclusivity for the Chinese side to operate and manage the project, and under what conditions the Romanian side could terminate the contract. Additional complications in the latest energy agreements are introduced by the conviction of Liviu Dragnea for corruption by the Romanian Supreme Court. Dragnea is considered the most influential politician in Romania, currently serving as *de facto* leader of the ruling Social Democratic Party. Bringing an influential politician to prison can have a significant impact on progress in the implementation of the Cernavoda 3 and 4 projects. The possible success of Chinese investment in Romania would introduce a completely new dynamic in political and economic relations.

Despite the proceeding of investment agreements, it should still be stated with certainty that political instability and ongoing anti-corruption cases against the highest-ranking politicians in the country negatively affect bilateral relations between China and Romania. In the Chinese media, more attention is being paid to the internal situation in Romania. Reports about an inefficient anti-corruption system raise concerns about the future of Chinese investment. The escalation of tension related to changes in the leadership of the National Anti-Corruption Directorate (DNA) in Romania's internal policy coincided with the Romanian Presidency of the Council of the European Union, which began on January 1, 2019. The problem of corruption is still visible within the Balkan EU members, however, it seems to have been marginalized, since during the Romanian Presidency it is expected above all to create a "spirit and atmosphere of solidarity" in the context of Brexit, as well as efficient management of the refugee crisis. According to the President of the European Commission, Jean-Claude Juncker, Romania took over the presidency at the hardest moment for the EU. The head of the EC also mentioned that Romania would make every effort to limit "exports of home affairs to Europe." As it turns out, such Brussels action can paradoxically bring some benefits to the entire community. What is a threat to the EU itself is also a serious brake on the rapid development of Chinese investment in Romania. The Beijing government will want to avoid a corruption scandal at all

costs, especially in the face of Xi Jinping's unprecedented anti-corruption campaign, which since 2012 has removed more than 1 million government officials from public life.

## 6. Conclusion

China is undoubtedly an important political and economical partner for Romania, but the value of bilateral exchange indicates a clear asymmetry and sets limitations on the possibilities of further cooperation. The priority for the Romanian government is, therefore, to further develop positive relations with the European Union. China is Romania's strategic partner, but the efforts of the government in Bucharest strive primarily to reduce asymmetry in bilateral economic relations and also to attract infrastructure investments. According to information obtained during research trips to the People's Republic of China and Romania, meetings of the heads of ministries devoted to China take place once a month, which indicates the essence of bilateral relations with regard to Romanian foreign policy.

In the context of the perception of the 17+1 mechanism in the case of Romania, it provides a good opportunity to renew bilateral relations between countries, even though the initiative is multilateral. Local cooperation is crucial in this matter, because it should be the basis for achieving new economic connections in bilateral exchange as well as the entire 17+1 mechanism. The annual meetings of the heads of governments of the 17+1 cooperation mechanism serve, in principle, to achieve political goals in bilateral relations, but they are far too small for the practical dimension of economic cooperation. Romanian practice shows that contact at ministerial level (MOFCOM) or with the National Commission for Reform and Development of the PRC is specific and difficult. Another advantage of initiating local cooperation with Chinese local governments is the fact that they have autonomy in terms of trade with foreign entities and often internal competition between Chinese provinces leads to a better negotiating position or offer for European local governments or the business community. One of the problems with attempting to attract direct investment from China at the local level indicated by the Romanian side is also the fact that most prosperous Chinese enterprises with investment aspirations in Europe are centralized, which creates negotiating difficulties and additional asymmetry in economic relations. In addition, the integration of the 17+1 mechanism with the Belt and Road Initiative

introduces confusion, as Romanian officials and entrepreneurs cannot read Chinese expectations.

In the context of the Secretariat for Energy of the 17+1 mechanism in Romania, no transnational projects have been developed at the moment, but focal points for potential energy cooperation have been established for each country, which will be gradually implemented. The Romanian side indicated that perhaps cooperation on the Three Seas concept would create a specific offer for China, in which energy projects based on international cooperation would be undertaken.

Referring to the influence of external actors on Chinese–Romanian relations, much depends on the investment success of the projects in Cernavoda and also the solution of the future of 5G technology with Huawei. The recent findings of the Romanian government are quite contrary to the position previously developed together with the EU and the US regarding these investments. From China's point of view, conducting active exchanges with Romania under the 17+1 format is an element of balancing EU and US influence in the region. This is undoubtedly related to the Chinese understanding of multilateralism striving to move away from the unipolar world and promoting multipolarity in the region of Central and Eastern Europe in order to ensure a balance of power.

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# **Evolution of Japanese Democracy**



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# Chinese Confucianism, Japanese Practice

## Abstract

*The culture of a nation is the DNA of the nation and significantly influences the direction of the nation's development and its foreign policy. China is the birth country of Confucianism; and Confucianism has been the mainstream of Chinese traditional culture for over 2,000 years. Japanese civilization has a Chinese origin, including Confucianism and the civil service examination system. Since Confucianism was introduced into Japan in the fourth century, it has gradually become an integrated part of Japanese culture. To improve China–Japan relations, it is necessary to consider the similarities and differences of practicing Confucianism in the two countries. This paper attempts to take on this task by emphasizing how Japan has Japanized Confucianism while the Chinese Communist Party (CCP) has used Confucianism to justify its legitimacy. This paper will argue that Japan does not simply copy Chinese Confucianism, but has selectively practiced Confucianism and used it for its own national agenda.*

**Keywords:** *Confucianism, Chinese politics, Japanese modernization*

## 1. Introduction

Confucianism was born in China, but Confucian influence goes far beyond China. Confucianism has gradually become a part of Japanese culture since it was introduced to Japan. Confucian influence has remained strong despite its modernization and Westernization since the Meiji Revolution. Japan does not simply copy Confucianism, but has selectively practiced it. What are the differences between China and Japan in practicing Confucianism? What is the driving force of Japanizing Confucianism?

How does Japan utilize Confucianism in modern times? This paper will address these questions and argue that China has used Confucianism mainly for political purposes from ancient times to the present. By contrast, since the end of World War II, Japanese Confucianism has served the Japanese modernization and democratization and helped Japan integrate its nation into the liberal international system. Thus, Japan is on the right path in practicing Confucianism.

## 2. Characteristics of Chinese Confucianism

Confucius (551–479 B.C.) was the founder of Confucianism. The term “Confucius’s teaching” differs from the term “Confucianism,” because it only represents the early stage of Confucianism. The development of Confucianism is a dynamic process. After Confucius’s death, “his followers split into eight distinct schools all claiming to be the legitimate heir to the Confucian legacy” (Tu, 1998). The emphasis of Confucianism in different periods and different countries is different, because Confucius’s teaching was reinterpreted by various scholars who were not necessarily “devoted of the Confucian Way” (Nylan, 2001). In this sense, the term “Confucianism” is not singular, but plural.

Confucius’s teaching involves a wide range of fields. What is the original intention of Confucius’s teaching? In Confucius’s time, China experienced a great transformation from an heredity system to a hierarchical system. The old social order was broken (*li beng*) as wars and violence started occurring across the land in the Warring States Period. Through Confucius’s eyes, the old social order was the best because it was compatible with *li* (propriety). Confucius was determined to bring society back to the traditional system, in Chinese *ke ji fu li* (The Analects) – conquer yourself and return to ritual — was his primary motivation, and the ultimate goal of Confucius’s teaching was to maintain the traditional social order. Thus, Confucius’s teaching was not a “precise moral orientation, but a professional training with the general goals of state service” (Nylan, 2001). The original intention of Confucius’s teaching was to restore trust in the government, to transform society into a moral community, to bring comfort to the old, to have trust in friends, and to cherish the young through practicing the five constant virtues. Confucius’s teaching “is hierarchical oriented political ideology which is essentially the same as Marxism in a political perspective” (Tu, 2012).

To serve his central political goal, Confucius developed various basic principles of his teaching, including the five constant virtues: *jen* (benevolence), *yi* (righteousness), *li* (propriety), *zhi* (knowledge/wisdom), and *xin* (sincerity), Five Relationships (ruled is subject to ruler; son is subject to father; wife is subject to husband; younger is subject to elder; and friends must trust each other), the three obediences (a woman was required to obey her father before marriage, her husband during married life, and her sons in widowhood), and the four virtues (fidelity, physical charm, propriety in speech, and efficiency in needlework). All these principles are about the regulations of human relations and social norms, and they worked together to maintain the hierarchical social order. Confucius put it this way: "Let the father be indeed father, and the son son; let the elder brother be indeed elder brother, and the younger brother younger brother, let the husband be indeed husband, and the wife wife: then will the family be in its normal state. Bring the family to that state, and all under heaven will be established" (*The Book of Changes*).

Obviously, Confucius intended to support the ruling class, yet, the first emperor of China, Qin Shi Huang (221–205 B.C), did not realize the relevance of Confucianism to the ruling class. He believed that the tool to check human selfishness and depravity was law and severe punishment which could help him retain the crown forever, so he campaigned against Confucian scholars, burned Confucian books, and buried Confucian scholars alive, while he practiced Legalism and overly used his coercive power to kill countless innocent people. As a result, the Qin dynasty was replaced by the Han dynasty just 15 years after the Qin was established. Dong Zhongshu suggested the emperor Han Wu Di (141–87 BC) worship Confucius's teaching only and abolish all other schools of thought. The emperor accepted his suggestion and dismissed all non-Confucian scholars from the government. Confucianism gradually became the dominant Chinese ideology in imperial China through government support and the civil service examination.

Confucius's teaching mainly played three roles in Chinese feudal society. First, Confucius's teaching combined feudal familial values with political theory to support the patriarchal social order. According to Confucius's teaching, all under heaven are of one family, and all nations are of one people. China is an enlarged family and the emperor is the father of the nation. The individual is not the center of society, but the state dominates society, and the emperor holds absolute power over government and

society (Moody, 1988, p. 251). Hence Confucianism “valued hierarchy in both political and social spheres” (Lieberthal, 1995, p. 7).

Second, Confucius’s teaching required everyone to follow the principle of absolute loyalty to consolidate the monarchical system. The theory of the union of heaven and the individual is the foundation of the principle of loyalty. *Tian* (Heaven) is the superior power beyond human control; and the Chinese emperor was the mediator between heaven and society. The Chinese people must obey the will of heaven and the will of the mediator – the emperor. Loyalty is the spirit of Confucius’s teaching and the eternal truth of the universe. In imperial China, the Chinese people had no choice but to obey the will of the emperor/heaven. A person had to die if the emperor wanted him or her dead. No one was permitted to violate the emperor’s teachings of the deceased and the forefathers’ discipline (Greel, 1975).

Third, Confucius’s teaching rejected the principle of rule of law and legitimized the feudal governance of rule of man. According to Confucius’s teaching, a good society is maintained by a moral obligation, not by an obligatory law because the legitimacy of the monarchical government was based on the unconditional obedience of the common people (Schwartz, 1993, p. 32). Confucius says, “Lead the people by laws and regulate them by punishments, and the people will try to avoid wrongdoing but will have no sense of shame” (Wilson & Greenblatt, 1981, p. 104). Only one person laid down the law and put it into practice. Thus, Confucius’s teaching legitimizes a single man to rule the entire country without check or balance.

When the highly centralized political system was taken to an extreme, family ethics, social organization, the political system, economic activity, and daily life were controlled by the emperor’s power. Confucius’s teaching did not encourage individual initiative, but taught the Chinese people to obey political authority. When the traditional Chinese political system reached its height, the confrontation between Confucianism and new Chinese culture became unavoidable. In the mid-1910s, Chinese liberal intellectuals began to advocate modern democracy by challenging Confucianism. Since the nationalist government’s withdraw from mainland China to Taiwan (1949), it has continued to hold onto the basic Confucian values in school and social life. In mainland China, Mao Zedong regarded Confucianism as “four olds” (old ideology, old tradition, old customs, and old culture). In the Cultural Revolution (1966–1976), Mao followed the first Chinese emperor’s step, burned Confucian books and exiled intellectuals. In the post-Mao era, the Chinese Communist Party (CCP) has

changed its attitude toward Confucianism attempting to promote state sponsored Confucianism. In 2004, the CCP began to use the Confucian conception of “harmonious society” to develop the socialist system with Chinese characteristics. The opening ceremony of the 2008 Beijing Olympics was the major event that attempted to link China’s recent achievements with its Confucian past. In 2010, China started to use Confucius as an explicit political tool to reward the world’s political figures in response to the 2010 Nobel Peace Prize which was awarded to Chinese political dissident, Liu Xiaobo (Sun, 2012). The Confucius Peace Prize Laureates include Russian president Putin (2011), the founding father of socialist Cuba Castro (2014), and the former Zimbabwe President Robert Gabriel Mugabe (2015). In addition, the Chinese government has developed Confucius Institutes around the world to expand its global political influence. By 2017, a total of 525 Confucius Institutes and 1,113 Confucius Classrooms had been put in place in 154 countries. According to *Xinhua*, China will have established 1,000 institutes by 2020. Apparently, China’s ambitious plan has faced great challenges from the mainstream of the international society in recent years.

Why does the Chinese government want to promote Confucianism not only at home but also abroad? It is because Chinese communism has lost its capacity to inspire the Chinese people: Confucianism could be the new moral foundation of the CCP to justify its legitimacy (Bell, 2010). The state-sponsored Confucianism is clearly driven by a political purpose – “to consolidate the leadership and ideological control of the Chinese Communist Party” (Wu, 2015). The CCP wants to use the key conception of Confucius’s teaching – loyalty – to legitimize the one-party system. In the post-Mao era, every administration of the CCP has called for the Chinese people to unite all their forces around the CCP, and unconditionally obey the top leader of the CCP. After Xi Jinping became President of China in 2012, he further centralized his power and made his lifelong presidency possible by amending the Constitution of China. Xi repeatedly emphasizes that the party leads everything: the east and the west; the party is the leader in all aspects of China including industry, agriculture, business, education, military affairs, and politics. The CCP sets Confucian principles for the Chinese people to follow: “be loyal to the party” and “follow the party unconditionally.” Recently (2019), the CCP has promoted the slogan “The Three Alls” (三个一切): All major matters are decided by Chairman Xi Jinping; all work must be responsible to Chairman Xi Jinping; all



actions must heed the direction of Chairman Xi Jinping (Gang, 2019). Now China is returning to classic Maoism and feudalism. Many have called Xi Jinping the 21st-century emperor of China. In this sense, the CCP has faithfully followed Confucius's original teaching to protect the interests of the CCP which conflicts with the liberal international order and universal values.

### 3. Driving Force of Japanese Confucianism

The influence of Confucianism goes far beyond China. All East Asian countries are culturally within the Confucian order (Morishima, 1982). Japan has been culturally and politically under the influence of Confucianism from the early Japanese civilization to the present. Japan's rise in the post-war era is remarkable. What is the driving force of Japan's post-war economic growth? It is driven by "Japanese spirit and Western technology" (Inagaki, 1992). Japanese spirit is a mixture of Confucianism and Buddhism in the Japanese context. According to an ancient Japanese text, *the Records of Ancient Matters*, Confucius's work, *the Analects*, was introduced to Japan around 400 AD (Levi, 2016). Japan began to adopt Confucianism in the seventh century based on the developmental model of China's Han dynasty (206 BCE–220 CE). In medieval Japan, Confucianism had "a broader social impact on funeral rites, village life, and samurai households" (Yamashita, 2016, p. 27).

After Chinese Neo-Confucianism was introduced to Japan in the Edo/Tokugawa period (1603–1867), Japanese Confucian schools emerged and became vernacularized through maintaining social values and order. The Tokugawa state established Confucianism as "a kind of state philosophy," "the basis for the legal system and moral education" (Born, 2009). It gradually grew stronger and was widely spread through the middle strata of the population, emphasizing the importance of ethics, education and a hierarchical social order through teachings about how to conduct people's lives and govern a society. The influence of Confucianism became stronger than Buddhism, and the Japanese people recognized Confucianism as "a Japanese value instead of Confucian value" (Levi, 2016). In the Meiji period (1868–1912), Japan began to use Neo-Confucianism to theorize the status of samurai and laid the foundation for knowledge to boom (Yamashita, 2018). In the post-war era, Japan has taken a new path of practicing Confucianism.

However, the Japanese did not simply copy Confucianism, but selectively adopted Confucianism to fit their national agenda (Duncan, 2002). Fujiwara Seika (1561–1619) was the first Japanese who advocated the independence of Confucianism. In the 1930s, the movement of Confucianism became a strong supporter of the Great Japanese Empire by advocating the importance of Eastern thought. While absorbing the essence of Chinese Confucianism, the Japanese added some unique ideas, such as the “group consciousness of Japan” into Chinese Confucianism, making it closer to Japanese culture (Yan & Pan, 2010). The indigenous process of Confucianism is mainly driven by three factors in modern times.

First, pragmatism has become one of the important characteristics of Japanese strategic culture in modern times. Japan does not have fixed principles but only has pragmatic nationalism. Since the Meiji Revolution, driven by pragmatism, Japan has selectively practiced Confucian values in the Japanese context. Second, after the Meiji Revolution turned Japan into a Westernized nation, the basic conceptions of Confucius’s original teaching conflicted with modern democracy. This required Japanese people to re-interpret Confucianism in the new era. Third, the theory of Bushido demands Japan to shift the emphasis of Confucian practice. Bushido is the ethical norm and philosophy of samurais in Japanese feudal society and became the major cultural support system of the Japanese imperial system. Japan became a martial nation in the 17<sup>th</sup> century and viewed itself as “a nation of warriors,” so considered Bushido as the code of honor, discipline and morality of the warrior, or the way of the warrior. Bushido even became the basic code of conduct for much of Japanese society and the soul of Japan which dominated Japanese intellectual life from 1930-1945 (Flanagan, 2016). However, the central principle of Bushido is about responsibility and how to fulfill the responsibility. Seppuku is part of fulfilling a Samurai’s responsibility. The samurai put “justice” on the top of eight virtues of samurai. The other seven virtues are courage, benevolence, politeness, honesty, honor, loyalty and self-control. The spirit of Bushido was different from the spirit of Confucianism. According to Japanese military scholar Tsugaru Kodo (1682–1792), “Preaching that all people within the four seas should have prosperous and bountiful households and that everyone should be protected from poverty and suffering is the idle talk of vulgar Confucians” (Watanabe, 1912).

## 4. A New Path of Practicing Confucianism in Modern Japan

### *a. Japan Has Utilized Confucianism to Promote the Capitalist Market Economy*

Confucius's original teaching discouraged the Chinese people from devoting themselves to economic and technological activities. According to Confucius, the gentleman follows righteousness, but the small man (*xiao ren*) pursues profit. Confucius emphasized his principle of values, such as benevolence, righteousness, propriety, knowledge and sincerity, but discouraged people's pursuit of the material life. In Confucian society, Chinese people were divided into different ranks. Farmer, soldier and merchant were the ruled class, but politician, official, and Confucian scholars were the ruling class. Thus, Confucian society provided little opportunity or incentive for social production or scientific research (Lin, 1995). Zhu Xi, the founder of the Neo-Confucian school, required the Chinese people to keep justice and eliminate their desires. Mao Zedong totally rejected the capitalist economy by implementing his idea that "preferring to have socialist weeds instead of having capitalist seedlings" (Ren, 2004).

By contrast, Meiji leaders began to respond to international markets and accept capitalist principles of economic organization. Meiji scholars and politicians were convinced that Japan needed an ethical system to replace Buddhism during the transition of Westernizing Japan. Tokyo Professor Inoue Tetsujirō reworked Confucianism as the basis for a new national morality and philosophy for supporting a program of modern national morality. In 1827, Japanese economist Zusho Hirosato promoted Japanese economic reform and convinced Japanese leaders to believe that the liberal economy should not be only based on individual gain, but rather on the contributions to national power. They used Confucianism to justify the liberal economy by arguing that the government had "a moral obligation to protect and guide the people," and also that "a duty to guide economic activity for higher moral ends remained strong" (Sagers, 2006, p. 105). According to Weiming Tu (1992), Confucianism has played the same roles in developing the Japanese economy as Christian ethics played in the emergence of modern capitalism in Europe.

In the two decades after World War II, Japan became an economic powerhouse and the second richest country in the world. The Japanese

economic developmental model largely relies on the Confucian value system in addition to its social structure. Confucianism has contributed to the Japanese economy largely in three areas: helping to promote employees' enthusiasm by improving the personal relationships at the workplace, increasing employees' quality through improving education, and enhancing the ability of the government.

First, Japanese economic and business activities are built on interpersonal relationship. To the Japanese, the relationship between individuals is one between the subordinate and the superordinate based on those who are higher in rank (*sempai*) and those lower in rank (*kouhai*). Japanese people live essentially in a vertical society (Nakane, 1970). Although the structure of enterprises is hierarchical, bosses of Japanese enterprises are willing to join social events, such as singing karaoke and drinking with their employees, developing feelings of care for the others. By participating in the rituals, "bonds are strengthened, and the boss is less likely to dismiss the worker in difficult times" (Bell, 2010). Many employers own or rent vacation villas in the resort areas where employees can spend their holidays at low cost (Zandt, 1970). In turn, employees gain more confidence and make more contributions to their employer in a comfortable workplace. Employees voluntarily engage in self-cultivation and self-sacrifice in order to accept the authority of the superior. They are disciplined, "group-minded, and capable of pursuing the common good" (Hite & Hawes, 1991). Many Japanese enterprises are successful because they reject the notion that personal feelings have no place at work. Instead, they develop a feeling of trust and intimacy among their employees (Tai, 1989, p. 22).

Second, it should be noted that "One of the main forces behind Japan's rapid growth is its educational system" (Zandt, 1970). Education is highly valued, which enables the government to recruit well-qualified personnel for public services. In the post-war era, one of the major aspects of the transition was to develop moral education based on democracy. In this new system of education, the independent spirit was encouraged to build the peaceful state and society (Stowell, 2003). The purpose of education is to help Japanese students develop an ideal personality (Chen and Chung, 1997) and enhance their knowledge and talents while strengthening the consciousness of the virtues of humanity, justice, loyalty and filial piety (Takahashi, 1988). In 1958, the Japanese Ministry of Education introduced a new curriculum which "contained no

references to prewar lessons such as loyalty or etiquette" (Stowell, 2003). In China, the Chinese education system is required to hold Marxism as its theoretical guidelines and the "Five loves" (love the motherland and love the people, love labor, love science and love socialism") as the basic contents of education (Stowell, 2003). The Cultural Revolution destroyed the traditional Chinese culture and normal social relations by denouncing the "Four Olds" – old ideas, old culture, old customs, old habits (Chu, Hayashi, and Akuto, 1995). Chinese students are required to be loyal to the core leader of the CCP. Under the Xi administration, the CCP has established an informant system at universities which rewards student informants who secretly report their professors' political orientation to the authority. As a result, liberal professors are dismissed one after another, and freedom of speech, and independent thinking are prohibited at universities and schools. In 2019, The Communist Youth League announced a plan that will dispatch more than 10 million students to rural areas by 2022. This plan has raised fears of a return to Chairman Mao's brutal Cultural Revolution.

*b. Japan Has Utilized Confucianism to Support Japanese Democracy*

Some scholars suggest that the transition of Japan's democratization had nothing to do with Confucianism, but was a response to the threat of Western powers because Japanese people believed it was not only good for regional security but also good for their nation to turn Japan into a democracy. Without a doubt, the United States and its allies played a decisive role in the process of Japan's democratization, but Confucianism also helped to prepare for the transition and made the transition smooth. Meiji Scholars began to use Confucian conceptions, such as benevolence, justice, ritual, wisdom, trust, and *zhong yong* (the Doctrine of the Mean), to express the central principle of classic liberalism, train Meiji intellectuals, such as Fukuzawa Yukichi, Nishi Amane, and Tsuda Mamichi, shape the emergence of the Westernized modern social order, and bridge the gap between Confucian morality and democracy. Post-war Japan began the transition of demilitarization and democratization through reforming the Japanese economic, cultural and political systems under the occupation of the United States and its allies (Chow, 2012). Japan has run a democratic system since General MacArthur put a dem-

ocratic constitution in place during the U.S. occupation. However, the Japanese democratic system was not a typical democracy in the Western sense, but an incorporation run by an alliance of bureaucrats, political party officials and business leaders (Fukuyama, 1995). On the one hand, this unique democratic system has roots in the Japanese culture; on the other hand, it meets the needs of the Japanese people because it delivered high economic growth.

Japan's democratization is a successful combination of Japanese Confucianism and modern democracy and it is a dramatic example of cultural synthesis in the Japanese context (Kahn & Pepper, 1979, pp. 144–145). The democratic system helps Japan develop clean government and businesses. Japan has an almost total absence of nepotism which is one of characteristics that differentiates Japan from many other Asian nations (Zandt, 1970). The country of Japan is Japanese Inc. Loyalty is the spirit of Japanese Inc. However, unlike China, Japanese people are not required to be loyal to the political leaders of the nation, but they are loyal to the nation, the gods of their hearts, the boss of their workplace, and their parents (Bell, 2003). Although the government of Japan is a constitutional monarchy, according to the Japanese Constitution of 1946, the Japanese emperor is only “the symbol of the state and of the unity of the people.”

Unlike China, religion is not restricted in Japan. Confucius rejected discussion of “*tian*” (Heaven) and God, but one manifestation of Japanese loyalty shows in their religious belief. It is not true that “the Japanese people have no religion in contrast to foreigners who are Christians” (Kato & Hori, 1986). Japanese people practice religion daily and have converted religious belief into a social norm. Shintoism and Buddhism are the two major religions in Japan. Shintoism is an indigenous Japanese religion, and Buddhism comes from India through China. About 90% of Japanese people practice Shintoism. More than 20,000 Shinto shrines are available for the public to conduct ritual ceremonies. Some of them have become world heritage sites recognized by the United Nations. Many Shinto and Buddhist shrines are visible on streets, at restaurants and in shops. Japan also greatly embraces Christianity although only about 0.5% of Japanese people claim Christian belief. When the religious belief is extended to the entire society, Japanese people are loyal to their parents and leaders of workplace. This diverse practice of “loyalty” has significantly increased the consciousness of collectiveness and supported the Japanese democratic system.

*c. Japan Has Utilized Confucianism to Develop its Harmonious Social Order*

Historically, the Chinese and Koreans viewed Japanese people as barbarians. In fact, as early as the Muromachi period (1333–1568), Japan began to judge the civilization level of all other people and governments by using Confucianism as a basic standard. It was believed that “The more Confucianized they were, the more civilized they were considered to be. The less Confucianized they were, the more likely they were to be labeled ‘barbarians’” (Baker, 2016). Confucianized meant to follow China’s developmental model rather than to adopt Confucian principles. To be considered Confucianized and civilized, a country had to implement centralized government, value scholars over warriors, and prioritize Confucian ritual over other religions and schools of thought. Japanese Confucianism has played a significant role in developing Japanese civilization in the Meiji era leading toward to Japanese modernization.

The Confucian notion of *ren* (benevolence) has shaped Japanese social relationships (Tamai & Lee, 2001). *Ren* is a basic notion of Confucian texts, equivalent to the English word *love*. Like the Christian *Bible*, the word *ren* appears 109 times in the 11,705-word *Analects* – the Confucian Bible. In today’s Japan, *Ren* is not an empty word, but a popular practice. On the one hand, Japanese society provides an excellence service for individuals. The comprehensive system of social security was established during the post-war period, providing medical care and financial support for all. Japan will spend about 25% of GDP on its social welfare system by 2040. Japan has the highest life expectancy in the world, 90 years for women and 84 for men.

It is very convenient for everyone to live or travel in Japan. Hotel rooms are equipped with everything needed, including toothpaste, toothbrush, cotton swab, razor, hair dryer, air cleaning machine, TV, flashlight, umbrella, pajamas, and cellphone. Although technology is widely used in the Japanese management system, customers can still get real customer service at bus stops, subway and train stations, and information centers. The design of public facilities is very humanized. Most toilets in public spaces are electronic and multifunctional. All toilet seats and cushions in buses and subways are heated, which is especially good for children and elderly people during winter. Statistics shows Japanese bathroom culture and technology help to reduce the death rate and health issues.



On the other hand, Japanese individuals are very responsible for the society. Although the size of green space is limited due to a lack of flat land in Japan, the country is amazingly clean and the natural environment is well protected. It is very difficult to find trash cans on the streets, in tourist areas and other public places. Japanese people are used to carrying a small garbage bag when they go out and bringing their trash back to home as they see it as their responsibility to do so. In public, Japanese people show their politeness and respect. Nobody speaks loudly in hotels, restaurants, or coffee shops. It is Japanese practice to be quiet on the bus and train, in elevators, hotels, and theaters while those places are usually noisy in other nations, including China. Every driver follows the absolute principle of pedestrian priority. The politeness helps Japan decrease traffic accident rates. The average of traffic related death is about 17.4 per 100,000 people worldwide, but it is only 4.7 per 100,000 people in Japan, while it is 18.8 in China.

## 5. Conclusion

Confucianism persistently developed in pre-modern China and remains influential in the Republic of China. In the post-Mao era, the CCP has promoted state-sponsored Confucianism to serve its political agenda by implementing the key notion of Confucianism – loyalty (Tamney, 2012). This practice is on the wrong side of history because the CCP wants to use it to legitimize the one-party system. By contrast, Japan practiced Confucianism widely before the Meiji Revolution, and has reinterpreted Confucianism in the modern era especially after World War II. Japan has selectively practiced Confucianism in order to serve the capitalist market economy, support the democratic political system, and maintain the harmonious social order. Confucianism becomes Japanized Confucianism (Elman, Buncan, & Ooms, 2002). The practice of Confucianism in Japan is compatible with the trend of globalization, modernization and democratization.

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## Dynasties and Democracy in Japan

### Abstract

*One of the rules of democracy is that everyone can be a politician, but even in a democratic system there is a phenomenon called “democratic dynasties.” Democratic dynasties mean that multiple members of one family become politicians. In a democracy with long democratic traditions, normally 5%–10% of all legislators come from democracy dynasties and this phenomenon declines over time. Except Japan. After the Second World War, about 3% of the members of Japan’s Parliament were related to previous members of the pre-war government. Since then, the proportion of legacy MPs in the Parliament subsequently increased toward over 40% by the late 1980s. Moreover, in the Liberal Democratic Party (LDP), which has been the dominant party in Japan since 1955, nearly half of all members in the 1980s and early 1990s were legacies. Currently, the proportion is decreasing, but is still more than 25%. The author analyzes the democratic dynasties phenomenon in Japan, trying to understand why in Japan, unlike other countries, the proportion of legacies is so high.*

**Keywords:** Japan, political dynasties, democracy, policy

### 1. Introduction

Robert Michels wrote in his book *Political Parties* that “At the antipodes of the monarchical principle, in theory, stands democracy, denying the right of one over others. In abstracto, it makes all citizens equal before the law. It gives to each one of them the possibility of the way for the rights of the community, annulling before the law all privileges of birth, and desiring that in human society the struggle for pre-eminence

should be decided solely in accordance with individual capacity" (Michels, 2001, pp. 8–9). In fact, there is a problem with the theoretical definition of democracy, what democracy means now, and what it meant in different times and countries. Ben Saunders noticed that democracy is often associated with majority rule and/or political equality. In his definition, democracy implies that decisions made by a group must express the wishes of the members of that group. Political equality emphasizes that every member of that group has an equal chance to influence the group's decisions. The majority rule, in turn, means that the decision made by the group must be a group decision (Saunders, 2010). In theory, every member of society can become a politician and influence the governance process.

Popular elections are the key mechanism of political selection and the main principle for distributing political power. Yet, even now, in the countries where democratic ideas are strong and have a long tradition, we can observe the phenomenon of "democratic dynasties." Kinship is still important in determining the ruling class. Recent prominent politicians all over the world are the best examples: Hilary Clinton in the United States, former South Korean President Park Geun-Hye, Canada's Prime Minister Justin Trudeau, and Japan's Prime Minister Abe Shinzō. Democratic dynasties are a common phenomenon, but there is a problem if the proportion of dynastic politicians is high, as it raises questions as to whether democracy is functioning properly.

## 2. Political Dynasties in the Democratic System

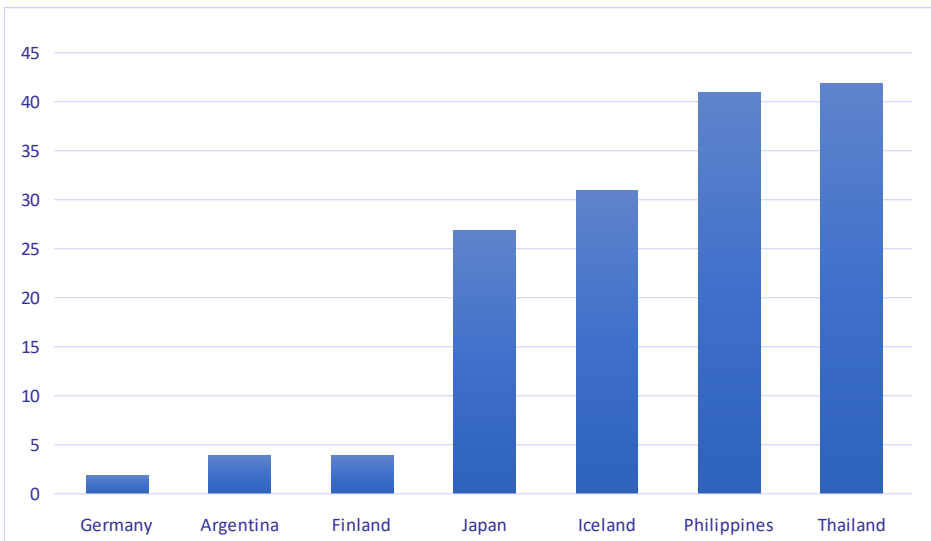
In nondemocratic regimes such as dictatorships and monarchies, dynastic rule means that an autocratic ruler often anoints a family member as his successor. In that case, selection mechanisms are weak and allow the limiting of power distribution to a broader elite. The best example is North Korea. Kim Il-Sung anointed his son Kim Jong-Il to become his successor in the position of the ruler of the state in 1994, and then, in 2011, the son of Kim Jong-Il, Kim Jong-Un came to power as the "Great Successor."

In democratic countries, a similar phenomenon exists as well. The difference is that even if a member of such a dynasty wants his or her successor to become a politician, that successor must ultimately be popularly elected. The democratic idea of equal chances means that no individuals

are more privileged by birth to enter into politics. That legal equality of all citizens should end the existence of dynasties in this system, but that has not happened. In many democratic countries, there are powerful families and their members become potent politicians at the national level (Smith, 2018, p. 3).

Benny Geys and Daniel M. Smith offer broad definitions of a dynastic politician. They defined such a politician as a person who is related by blood or marriage to other individuals who hold political office. This definition covers politician's children, siblings, spouses, grandchildren, and other members of the family (Geys & Smith, 2017). Depending on the character of the work, the framework of this definition can include a variety of family relationships and levels of government – most of them focused on the national level. This definition may change depending on the country. For example, Stephen Hess defines American political dynasties as “any family that has had at least four members, in the same name, elected to federal office” (Hess, 1996). He also limited this definition to members who share the same family name. That means that individuals who have the same roots but a different surname for some reason, like marriage, cannot be included in the analysis.

**Figure 9.1. The Percentage of Democratic Dynasties Around the World**



Source: Smith, 2018, p. 5.

Daniel M. Smith, in reference to Japanese political dynasties, defines this phenomenon as “any candidate for national office who is related by blood or marriage to a politician who had previously served in national legislative or executive office” (Smith, 2018, p. 4). This kind of definition is broad because it is not limited to the same name or a minimum number of politicians. Moreover, politicians can belong to different political parties and can run in various electoral districts.

There is no sufficient explanation as to why dynasties arise in democratic countries. One of the most popular theories formulated by F. Dal Bo and Snyder emphasizes that “power begets power” (Guarde et al., 2016). Politicians can accumulate power and influence and then easily pass them on to subsequent generations. However, even if most democracies have dynasties, they account for 5% to 10% of the parliament. This level of dynastic politics may be considered as an average level for healthy democracies (Geys & Smith, 2017). Democracies such as Germany, Canada, Finland, and Argentina have less than 5% of legacy members of the parliament. On the other hand, countries such as Japan, Iceland, Philippines, and Thailand have more than 25% of dynastic politicians at the national level (Smith, 2018, p. 5).

We can easily explain why the Philippines and Thailand have a high level of dynastic elites. In these countries, the idea of democracy is still young. They are developing what equality means, and the citizens are learning that they can also attend to the political life of their country. As research shows, when the country develops economic strength, and competitive and programmatic parties arise, more people from the outside can enter politics, and, over time, the percentage of legacy politicians is expected to decrease. In the United Kingdom in the 1800s, the proportion of democratic dynasty members was about 30% but it has declined to less than 10% in recent decades. Iceland is, in turn, a small country with a population of about 320,000 people and sixty-three seats in the parliament. There are a limited number of people who can become politicians, therefore, clearly small states are more likely to have bloodline as an important conditioning factor.

Gaetano Mosca pointed out that “Candidates who are successful in democratic elections are almost always the ones who possess the political forces above enumerated [resources and connections], which are very often hereditary. In the English, French, and Italian parliaments, we frequently see the sons, grandsons, brothers, nephews and sons-in-law

of members and deputies, ex-member and ex-deputies" (Mosca, 1939, pp. 61–62). These "resources and connections" may be strong name recognition, network connections, more significant campaign funds, familiarity with politics and the campaigning process, and experience in political life.

Probably one of the most essential and easily inherited advantages is name recognition. The family name can be used as a brand. If a former politician has a good reputation and did not lose his or her last election, there is a high probability that his or her successor will win the election. This is so because the electorate makes a connection between the former and present politician that the new one will continue the way of his or her ancestor. Another important fact is that if the offspring runs in the same electoral district, he or she already knows the most important people and has a connection with them. Voters are more likely to vote only for the names they are familiar with.

Network connections are not limited only to people from the district. If a potential successor has been participating in the professional life of his father or another person in the family who is a politician from a young age, then he or she knows the other members of the parliament or party, or even knows the representatives of the financial sectors. It is easier for him or her to build influential connections with people in the party hierarchy and may help to secure a party nomination. It may also be helpful in obtaining financial resources (Smith, 2018, p. 12–13). Political dynasties are also engaged in long-term planning and implementation of government projects, and that gives the impression of continuity of government. It is crucial, especially when the politicians change often, and there is no coherent policy (Guarde et al., 2016).

Dynastic politics is ubiquitous across all democracies; the proportion and the scale of this phenomenon can be different, but the fact is that, even in democracies, elites still exist, and power can be inherited. Japan is not alone in this, but there is a problem with the high proportion of legacy politicians in Japanese politics. Japan is recognized as one of the most democratic countries, but with 25% of dynasty politicians in the parliament, the reality seems to be quite different. What makes Japan so different is that the proportion of democratic dynasties has grown over time, in contrast to the pattern in other democratic countries, especially if we consider that Japan is an industrialized democracy with relatively low levels of inequality.



### 3. Japan's Political Dynasties

Out of all the candidates (10,060) who ran in Japan's House of Representatives general election or by-election from the first post-war elections in 1947 to 2014, only 3,065 succeeded. 600 candidates were legacies, which makes up 6%. It does not seem to be a lot, but of these 600, 477 were elected. That means that nearly 80% of all legacy candidates succeeded, and constitutes 16% of all candidates coming from democratic dynasties (Smith, 2019, pp. 52–53).

If we look at the first post-war election when the democratic constitution had been established, the proportion of legacy incumbents was less than 5%. Since then, the percentage of hereditary politicians in the House of Representatives has subsequently increased toward a zenith of over 30% in the 1980s. After the change of the electoral system in 1993, this proportion of legacies in the House of Representatives declined to 22% in 2009, which was the lowest proportion since the 1960s. Still, if we look at the other democratic countries, this percentage of legacies is relatively high (Iida, Ueda & Matsubayashi, 2011).

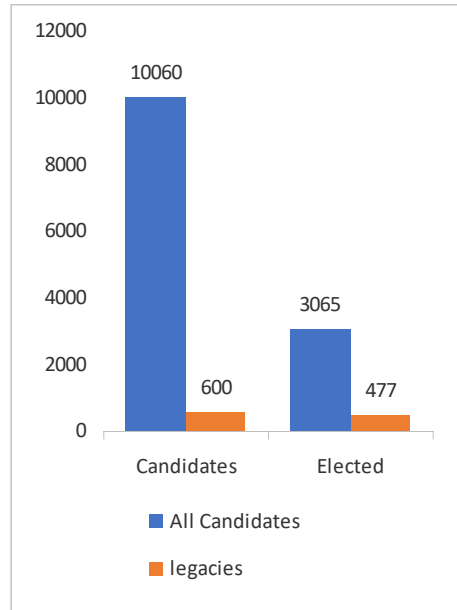
Another important issue is the proportion of legacy MPs in the Japanese political parties. The main party in Japan, which has been in power since 1955,<sup>1</sup> is the Liberal Democratic Party. At the beginning of the party's activity, in 1958, the proportion of legacies in that party was about 20% and had increased to over 40% by the early 1980s. In this time, almost half of the new candidates for the LDP were legacies. This high proportion might be the result of the size of the party – it was the biggest party in Japan. The Democratic Party of Japan, the largest opposition party, had “only” about 18% of legacy MPs in the period from 1947 to 2014. The smaller parties, like Kōmeitō and the Social Democratic Party, had about 6% of legacy MPs. Nevertheless, in general, the average proportion of legacies in Japanese political parties was a little over 22% (Smith, 2018, p. 275).

Researchers often use “3 ban” theory to explain the high proportion of the legacy MPs in Japan. “3 ban” are “jiban,” “kanban,” and “kaban.” *Jiban* means strong ties between a politician and his or her electoral district. One of the most important manifestations of such activity is *kōenkai*. *Kōenkai* is a private support group for a given politician, and the stronger a given group is, the greater its independence from the party's decision-making system.

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<sup>1</sup> Except two short periods 1993–1994 and 2009–2012.

Figure 9.2. Number of Legacy Candidates and Elected Lawmakers



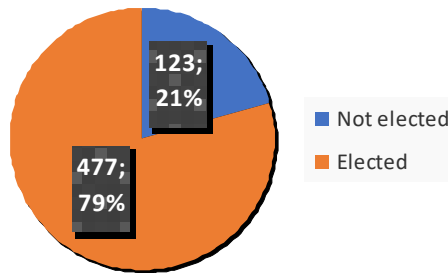
Source: JHRED.

An important feature of *kōenkai* is that it can be inherited between family members or members of the organization. *Kanban* means the rank of name recognition. Because the first and last name of the candidate should be entered on the ballot paper, it is important to know how to write the given surname. In the case of Chinese ideograms, this has an additional meaning. Therefore, if a politician has the same surname as his ancestor and runs in the same electoral district, he or she has a significant competitive advantage. *Kaban* means the funds of a given candidate. In the case of political dynasties, it is not only easier to obtain funds from outside, but also candidates themselves can inherit family money, which can help in sponsoring, e.g. an election campaign (Kimura & Takahashi, 2018, pp. 129–132).

In the post-war electoral system, a citizen had a single non-transferable vote in a multi-member district – each voter had one vote for an individual candidate. In one district, the parties typically held between three and five seats. Because voters voted for an individual, they chose one specific person, not a party – the top individual vote-getters would win

office. If a party wanted to have a majority in the parliament, it needed to win at least two seats per district. That created significant intraparty competition. The party put up several candidates who competed for a place in the parliament. Belonging to the party in such a case lost its importance. The individual features of the candidate became more crucial (Scheiner & Tronconi, 2011, pp. 91–111).

Figure 9.3. Legacy Candidates



Source: Smith, 2018, pp. 52–53.

Another advantage of legacy candidates is the heritage of the electoral district. Some of them have passed from generation to generation. One example is the Niigata second district. When Watanabe Yoshio, who ran in that constituency, died after eight terms, he was replaced by Watanabe Hajime, his younger brother, in 1967. In 1972, Watanabe Hajime retired and was succeeded by his nephew, and the district returned to the son of Watanabe Yoshio. This example is not an isolated case (Ishibanashi & Reed, 1992).

This kind of relationship may also have a different influence. Legacy politicians distribute advantages for their district. In Japanese, there is a term “*kinkikarai*” which means that a politician works from Monday to Friday in the parliament, and at the weekends, he or she returns to his or her district and cultivates relations with his or her *kōenkai* and the locals (Ishibanashi & Reed, 1992). That strong bond may also have another result: the legacy MPs might be more motivated to provide more benefits to their districts (Smith, 2018, p. 30).

After the revision of the electoral system, the situation changed. Since the 1990s, the proportion of legacy candidates has been declining, and some researchers estimate that it could be a result of the introduction of

single-member districts. In fact, in this new reality, the party must choose one strong candidate related to the party. That means that the party has become more centralized and chooses its candidates very carefully. Some of the legacy candidates with powerful *kōenkai* who are not nominated by the party might run as independent candidates. If the *kōenkai* and support base is strong, the candidate might win even without party support (Reed, 2011).

#### 4. Advantages of Hereditary Politicians

There is no secret that legacy politicians have a larger opportunity not only to become politicians, but also in occupying more significant positions in the party and the parliament than other lawmakers.

*Kōenkai* is an organization of supporters dedicated to mobilizing the electorate on behalf of the candidate. We can find the beginning of that form of political organization even in the pre-war period, but it was not as popular as it is today. Politicians started to build *kōenkai* in the 1950s, and they quickly became a common form of election campaigning. *Kōenkai* is very useful to institutionalize a candidate's personal vote, because the politician creates strong relationships with his or her electorate. He or she gives favors, and does projects that benefit the local residents and constituency service. *Kōenkai* is not a homogeneous group. In fact, *kōenkai* might comprise multiple groupings that overlap. At the centre of the organization remains the leading politician, and around him or her are groups connected with him or her by geography, target of representation (e.g. women, youth), personal connection to the candidate, or other various interests (Krauss & Pekkanen, 2012, p. 37).

Moreover, even if the *kōenkai* is a beneficial organization and helps the candidate to win, the election is still incredibly expensive. The campaign period from 1952 to 1992 was extremely short – only twenty days. That short period of time required the politician to continuously cultivate close relationship with his or her supporters. Politicians usually organize regular parties, excursions to hot springs, informal discussions, and other forms of activity not only related to the election or politics, but especially to the personal lives of the members of the group. Members must pay nominal fees if they want to belong to *kōenkai*, but that is not enough to cover the costs of maintaining the organization. The average cost of creating *kōenkai* is between \$700,000 and \$1,000,000,

and that is only to establish the organization. A similar sum is required to maintain the organization each year. It is evident that only people with financial resources can create *kōenkai* and maintain them. In the context of legacy politicians, they are in a privileged position. First of all, they can inherit the *kōenkai* from relatives, which is very convenient – they do not have to create their support base from the ground up, and all they have to do is maintain the *kōenkai* and interest of the members. Secondly, even if they cannot inherit the *kōenkai*, they still come from wealthy families with connections, and they usually have the required financial resources to create the organization (Smith, 2018, pp. 121–122).

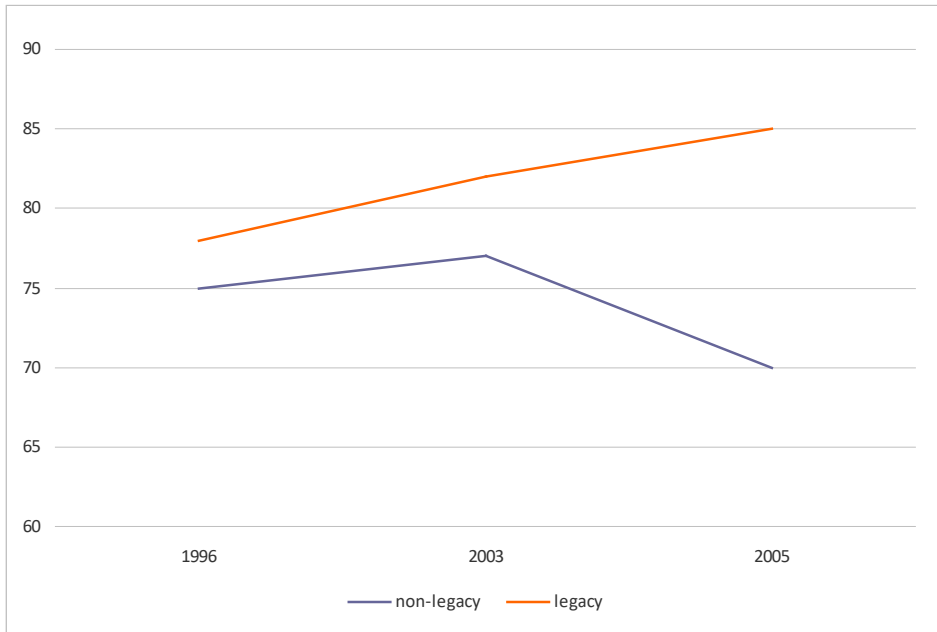
For Japan, it is hard to look for regions that are more dynastic than others. There is no such division, as in the case of the United States, where the south of the country is more dynastic than the north. In most prefectures, the level of dynasty varies from 10% to 40%. There are exceptions, however. The two most dynastic prefectures are next to each other: Yamaguchi Prefecture and Shimane Prefecture. In the Yamaguchi Prefecture, the dynastic percentage is 47%, this is the prefecture of Prime Minister Abe Shinzō. Moreover, the Abe dynasty is the largest dynasty in this prefecture, and the Japanese prime minister is a representative of the sixth generation of legacy MPs. In Shimane Prefecture, the percentage of dynasties is 53%. This high level may result from the small population and small number of seats in parliament – from 1947 to 1993, there was only one single five-seat district, and from 1996, two single-seat districts (Smith, 2018, pp. 60–62).

On the other hand, the least dynastic prefecture is Shiga Prefecture. Only 1% of hereditary parliamentarians have been elected from this prefecture since 1947. The reason is that this prefecture, like Shimane, is relatively small. Nara, Wakayama, Fukui, Okinawa, Oita, and Ishikawa have been represented by hereditary politicians at a level of less than 10%. The low percentage in each of these regions is related to the smaller number of seats in each of them and the fact that for many decades, these seats were occupied by first-generation MPs (Smith, 2018, pp. 59–61).

An important difference between hereditary politicians and non-hereditary politicians is the age at which they enter politics. The median age for first-term non-legacy politicians is forty-eight years old, compared to forty-two for legacy politicians. In the context of the Japanese seniority system, this fact matters. It is evident when we look at the current situa-

tion in the Japanese Cabinet. Only three<sup>2</sup> of Japan's Heisei-era prime ministers had no political background (Jain, 2019). The legacy politicians can accumulate more seniority than other politicians and even bureaucrats, which means there are more legacy politicians that have more power in the party and the parliament (North, 2005).

**Figure 9.4. Percentage of Re-elected Politicians**



Source: Iida, Ueda, Matsubayashi, 2011.

Hereditary politicians are more likely not only to win an election, but also have a better chance of being re-elected. In 1996, 80% of hereditary politicians were re-elected to the parliament. For non-hereditary parliamentarians, this rate was 75%. This was particularly evident in 2005, when this indicator for hereditary politicians increased to 85%, while for non-hereditary politicians it fell to 70% (Iida, Ueda & Matsubayashi, 2011).

Politicians who were not hereditary more often than legacy politicians had served as local politicians before the first term of office. Almost 30%

<sup>2</sup> Naoto Kan, Yoshihiko Noda and Toshiki Kaifu.

of them were former local politicians, while for legacy politicians, it was less than 15%. Hereditary politicians more often gained political experience through serving as personal secretaries, most often to their relatives who were incumbent MPs (Iida, Ueda & Matsubayashi, 2011). Almost 85% of legacy politicians have such experience. On the other hand, both legacy and non-legacy politicians have gained national bureaucracy experience, which is a common pathway in the LDP (Smith, 2018, pp. 62–63).

Previous studies also noted that women often entered politics if they boasted close ties with male relatives who were politicians. Only 5% of all non-legacy politicians are women. In the case of legacy politicians, the number is just a little higher – 8%. Being part of a political dynasty helps women to lower the considerable barriers to entering politics. Even if a female politician does not have a very good reputation, it is still easier for her to inherit *kōenkai* or name recognition with a better opinion. It is because the name brand is more important than gender. That is another advantage of legacy politics – it can help overcome gender discrimination (Smith, 2018, pp. 245–246).

## 5. Conclusion

The phenomenon of political dynasties is a phenomenon commonly found in the world. Studies have confirmed that in countries with a long history of political thought, the number of dynasties will decrease. The economic condition and size of the state are important as well. It is also difficult to say that the existence of political dynasties is contrary to the very idea of democracy. Ultimately, these politicians, like everyone else, must win the elections – they must be elected by the electorate.

And yet, the case of Japan is fascinating. First, the high percentage of political dynasties in the parliament is unusual. Japan is a country with a relatively long democratic tradition, and also with high economic potential and a low percentage of social inequality. Nevertheless, political dynasties stand in contradiction to this. Looking at the Japanese political scene, it is easy to see that most of the post-war prime ministers were somehow connected to previous politicians. Ministers elected by the prime minister were also often associated with political dynasties. This is because they were chosen for their first term faster than non-hereditary politicians. As a result – by the principle of seniority – they could be quickly elected to important party and government positions.

Hereditary politicians have a significant advantage over non-hereditary politicians. This advantage is manifested primarily in financial resources, experience, and connections. Legacy politicians, often after graduation, come into the profession by serving as personal secretaries to their relatives who are politicians. Because of this, they gain valuable experience not only knowing what a politician's job looks like, but also how to organize election campaigns. Financial resources are also important, especially from the point of view of maintaining *kōenakai* and the election campaign.

However, it seems that connections are most important. By connections are meant here not only the commonly understood acquaintances in the party or the world of business, but also those with the electorate. *Kōenkai* serves primarily as an organization to make friends that are beneficial to both politicians and electorate. The voters receive various benefits if their candidate is elected, and a politician with a strong *kōenkai* is almost a certain choice by the party.

Political dynasties also act as peculiar brands. The higher the name recognition and the higher the reputation of a politician, the greater the chance for his or her good political career. An example of this is Koizumi Shinjirō, the son of the former Japanese prime minister, currently the Minister of the Environment. In public polls, he is often indicated as a potential future prime minister.

Do political dynasties stand in opposition to democratic values? Is democracy functioning properly in Japan? These are questions that researchers of political dynasties ask themselves and it is difficult to find a definite answer to them. Indeed, family plays a huge role in Japanese politics. Ruling elites often come from such dynasties. And yet, it is not a rule that only a hereditary politician can become prime minister. There are no written or unwritten rules that stand in opposition to democratic values.

It seems, therefore, most appropriate to take a position that Japanese democracy has a more Asian coloring. It is no secret that dynasties played a significant role culturally and historically in Japan. Some state positions were available only to a few or even only one family, for example the imperial family itself. Occupations were inherited from father to son, and also nowadays children often follow in the footsteps of their parents, although this is no longer the rule.

All evidence indicates that democracy in Japan is healthy, despite the high percentage of political dynasties. There is still a chance that the trend that arose after the change in the electoral system in the 1990s will



lead to a significant reduction in political dynasties, and in a dozen or so years, this percentage will fall below 10% as in other democracies. Until then, however, political families are an important element of the Japanese parliament, with social approval. Hereditary politicians still enjoy many privileges, and it is easier for them to enter politics.

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# **Political Leadership vs. Prime Ministerial Leadership: Evolution of the Priorities in Decision-Making Reform in Japan**

## **Abstract**

*The slogans of “political leadership” (seiji shudō) and “prime ministerial leadership” (Kantei shudō) have been commonly used to describe the institutional reforms in Japan in the last three decades. The former term referred to the supremacy of the politicians over the bureaucrats, and the latter to the strengthening of the powers of the head of government. The aim of this chapter is to clarify differences and similarities between the two concepts, as well as to compare their applicability to decision-making patterns under subsequent governments. It is argued that different prime ministers put emphasis on either the former or the latter concept.*

**Keywords:** *Japan, political system, political leadership, prime ministerial leadership*

## **1. Introduction**

The disfunctionalities of the decision-making process in Japan drew attention from the public at the beginning of the 1990s. They consisted both in corruption-like connections between the politicians and big businesses, and excessive reliance on bureaucratic guidance. As a remedy,

political reforms were proposed based on the concepts of “political leadership” and “prime ministerial leadership.” While the former term became popular in the 1990s, it ceded ground to “prime ministerial leadership” under the Koizumi (2001–2006) and especially first Abe (2006–2007) administrations. The Democratic Party of Japan (DPJ) government (2009–2012), in turn, over-focused on promoting “political leadership,” which contributed to its ultimate failure in reforming decision-making patterns. After Abe Shinzō regained power in December 2012, “prime ministerial leadership” once more gained in prominence. The chapter examines these developments.

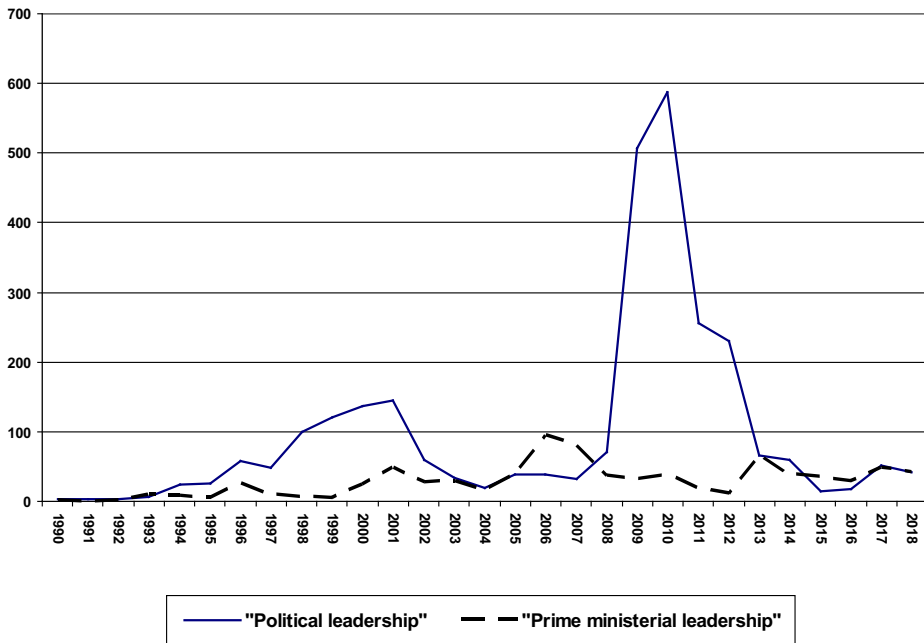
The concepts of “political leadership” and “prime ministerial leadership” were conceived as a response to decision making practices established during the long Liberal Democratic Party (LDP) rule.<sup>1</sup> Because LDP parliamentarians had been focused on maintaining clientelistic ties with their electorate, they entrusted most every-day matters to the bureaucrats. From the 1970s, the power of civil servants was further strengthened by their connections with the so-called “parliamentary tribes” – informal groups of LDP politicians specializing in separate legislative fields and representing respective interest groups. This “iron triangle” – a nexus between the world of politics, bureaucracy and big business – constituted a serious constraint on the prime minister’s leadership and impeded conducting any far-reaching economic reforms.

The basic principles of political leadership were formulated in the 1990s. They were based on the ideas formulated by Hōsei University Professor Matsushita Keiichi, who criticized the “bureaucratic cabinet system” (*kanryō naikakusei*) and advised strengthening the role played by the Diet and by parliamentarians. To create a genuine parliamentary cabinet system, Matsushita proposed abolishing the administrative vice-ministers’ council (*jimujikantō kaigi*) together with the post of administrative vice-minister. The administrative vice-ministers’ meeting was one of the symbols of the power of the bureaucrats. It convened before each cabinet meeting and virtually no decision could be submitted for government approval without its prior authorization. Matsushita (1998, pp. 31–110) claimed that thanks to an increase in the number of political appointees in the government, the politicians should learn how to conduct inter-ministerial policy coordination by themselves instead of the bureaucrats.

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1 In 1955–2009, the LDP remained the largest party in the House of Representatives and lost power only for 10 months in 1993–1994.

**Figure 10.1. Number of References to the Terms “Political Leadership” (*Seiji Shudō*) and “Prime Ministerial Leadership” (*Kantei Shudō*) in *Asahi Shinbun***



Source: Compiled by the author, based on *Asahi Shinbun*.

The concept of “prime ministerial leadership,” in turn, gained in prominence at the beginning of the 21<sup>st</sup> century. Its Japanese version (*Kantei shudō*) refers to the Kantei, the prime minister’s official residence which is used as a metonym for the head of the government and his/her direct entourage. It includes the chief cabinet secretary, three deputy chief cabinet secretaries, three assistant chief cabinet secretaries, prime minister’s special advisers and executive secretaries, as well as special advisers to the cabinet (Mulgan, 2018, p. 2). It is probable that the popularity of this term was influenced not only by the top-down leadership style of Prime Minister Koizumi, who assumed office in 2001, but also by the construction of the new Kantei building, which was completed in 2002.

Figure 10.1 illustrates the number of references to the terms “political leadership” and “prime ministerial leadership” in one of the major Japanese newspapers, *Asahi Shinbun*, since 1990. While both concepts were almost unknown at the beginning of the 1990s, they started

appearing in the newspaper following the historic alternation of power in 1993. At that time, an eight-party coalition ousted the LDP from government after 38 years of unceasing reign of this dominant party. It was mainly “political leadership” that attracted interest from the public, and this tendency was even increased during the process of drafting administrative reforms at the end of the 1990s. Nevertheless, the graph shows that after Prime Minister Koizumi came to power in 2001, also the concept of “prime ministerial leadership” started gaining in prominence. The term *Kantei shudō* was most popular under the first Abe administration in 2006–2007. Constant reference by the DPJ to the need for establishing a politician-led government, in turn, contributed to an abrupt increase in the number of references to *seiji shudō* in 2009. Under the second Abe administration since 2012, both terms became equally popular.

It is argued that different prime ministers treated various aspects of political reform as priorities, which resulted in the diversity of their approach to the concepts of political and prime ministerial leaderships.

## 2. Discourse on Political Leadership in the 1990s

One of the main initiators of the discourse on political leadership was Ozawa Ichirō, a prominent politician who, in 1993, defected from the LDP together with a group of his followers, thus contributing to an historical loss of power by the dominant party. It was Ozawa who became a “shadow shogun” behind Prime Ministers Hosokawa Morihiro (1993–1994) and Hata Tsutomu (1994). In 1993, Ozawa published a bestseller *Blueprint for a New Japan*, in which he criticized the lack of leadership by Japanese politicians. According to him, the policies instituted by statespersons in Japan were passive and short-term oriented, which resulted in the common perception of the country as a “dinosaur with a small brain.” Ozawa deplored the fact that despite broad competences, Japanese prime ministers were, in fact, weak leaders. He saw the cause of this situation in the long reign of the LDP and inter-factional frictions in the dominant party. Ozawa criticized the excessive sectionalism of separate ministries that cared only for their own interests. He claimed that the central government should start functioning as a real brain for the overgrown body of state administration. In order to reinvigorate policy debate and enable the alternation of power, he proposed the introduction of single-seat con-

stituencies. At the same time, Ozawa stressed the necessity to provide the prime minister with a better administrative backing by increasing the number of the Prime Minister's Office staff and assistants to the head of government. His main aim was to strengthen the coordination capabilities of the Kantei and turn the ministers into real decision-makers, not mere representatives of the interests of their bureaucratic subordinates. In Ozawa's vision, politicians should take responsibility for their decisions, while using bureaucrats' experience to realize the governmental agenda (Ozawa, 2006, pp. 16–96).

The appeal for political leadership in *Blueprint for a New Japan* found fertile ground in post-Cold War Japan. In 1994, the Hosokawa cabinet introduced a new electoral system, to a large extent based on the single-seat constituencies promoted by Ozawa. Nevertheless, the task of implementing central government reforms was undertaken by the LDP, which in 1994 returned to power thanks to a coalition with the Japan Socialist Party. As the connections between LDP politicians and civil servants had been weakened during the Hosokawa and Hata administrations, the politicians of the ruling party became more willing to show the administrative staff who was the boss. Moreover, the good image of civil servants among the general public was destroyed by numerous corruption scandals which involved bureaucrats in the mid-1990s. As LDP's main competitor in the 1996 parliamentary election, the New Frontier Party, planned to reduce the number of ministries, the LDP answered with an even more ambitious pledge to conduct a large-scale administrative reform (Iio, 2008a, pp. 163–172).

In particular, Prime Minister Hashimoto Ryūtarō (1996–1998) was eager to introduce political leadership over the bureaucrats. At the same time, he admitted that the real problem lay not in the bureaucrats, but rather in the politicians who were unable to properly use their administrative staff. Hashimoto (1994, pp. 187–194) found it natural that civil servants were characterized by sectionalism, as they could not exceed the competences of their home ministries. It was the task of statespersons to establish a general policy direction for the bureaucrats and find creative ways for its implementation. As such, Hashimoto perceived the greatest problem in politicians who blindly followed the policy proposals of their administrative staff. While Hashimoto initiated the central government reform, its details were decided by his successor Obuchi Keizō. Ozawa Ichirō, who, as the leader of the Liberal Party, formed a ruling

coalition with the LDP in 1999, also influenced the direction of institutional changes.

The central government reform entered into effect in 2001. It reduced the number of ministries and agencies from 22 to 12 and considerably strengthened the prime minister's institutional backing. The Prime Minister's Office absorbed several agencies and was turned into the Cabinet Office (Naikakufu), staffed by a larger number of bureaucrats. Most importantly, the new organ gained a status superior to all the ministries and was accorded the power to order them to provide the head of government with information (Neary, 2002, p. 127; Woodall, 2014, p. 176). In addition, Article 4 of the revised Cabinet Law clarified that the head of government had the right to propose new policies during cabinet meetings, while Article 12 enabled the Cabinet Secretariat to take the lead in preparing and coordinating "important policies" (*jūyō seisaku*). As a result, the rule of "dispersed management" (*buntan kanri gensoku*), which had prohibited the head of government from initiating policies falling within the competences of one of the ministers, was considerably weakened.

The prime minister gained new officials in his/her closest entourage. He/she was allowed to appoint more than five secretaries and to establish *ad hoc* offices in charge of specific policy areas (Shinoda, 2007, pp. 70–76). The maximum number of prime minister's special advisers was raised from three to five (Eda & Ryūzaki, 2002, pp. 103–106). In addition, new posts of ministers of state for special missions, whose role was to deal with distinct problems specified by each head of government as requiring inter-ministerial coordination, were established in the Cabinet Office. Functioning outside of rigid ministerial divisions, these ministers were less prone to pressure from bureaucrats or interest groups, and thus, potentially, more loyal to the prime minister. Moreover, thanks to new advisory councils operating under his/her jurisdiction, such as the Council on Economic and Fiscal Policy (Keizai Zaisei Shimon Kaigi), the head of government became able to circumvent bureaucratic procedures in a top-down manner.

The political leadership promoted in the 1990s put emphasis both on empowering the politicians against the bureaucrats and on strengthening the prime minister's position in the government. Just like Ozawa, Hashimoto stressed the need for enhancing the Kantei's power, and saw the biggest challenge in creating a system that would enable the emergence of strong political leaders.

### 3. Prime Ministerial Leadership under the Koizumi and Abe Governments

The first beneficiary of the Hashimoto reforms turned out to be Prime Minister Koizumi Jun'ichirō, who assumed office in 2001. Koizumi's leadership style differed greatly from the style of his predecessors. Thanks to his charisma and skilful media policy, Koizumi maintained high popularity throughout his whole term in office, which enabled him to quell voices of discontent in the ruling party. Interestingly, Koizumi did not waver from announcing he would reform the LDP even if he had to destroy it, which drew to him many unaffiliated voters (Iijima, 2006, p. 8). Structural reforms instituted by him were oriented against bureaucratic veto players. In his book entitled *Discourse on the Demolition of the Bureaucratic Kingdom*, Koizumi (1996, pp. 3–92) criticized the excessive influence of civil servants on the decision-making process and declared his intention to take everything that could be done by the private sector out of the direct control of the bureaucrats. As a remedy to the illnesses of Japanese politics, he proposed the introduction of general election of the head of government. Thanks to a stable position during the full term in office, the prime minister could thus focus on realization of a long-term policy agenda. Koizumi's main goal was to privatize Japan Post, which turned out to be a difficult task as many LDP politicians received electoral support from postal employees in exchange for protecting their interests.

Koizumi was unable to revise the Constitution so as to enable general election of the prime minister, but he took advantage of the empowered Kantei to promote prime ministerial leadership. He used the Cabinet Secretariat to transmit his orders in a top-down manner to the bureaucrats. Chief Cabinet Secretary Fukuda Yasuo instructed his administrative deputy Furukawa Teijirō to inform all the ministries about the prime minister's intentions through the administrative vice-ministers' council. As a result, this organ, which used to be perceived as a symbol of bureaucratic power, turned out to be a useful tool in imposing the head of government's will on administrative staff (Shinoda, 2007, pp. 68–78). At the same time, Koizumi strengthened control over cabinet members by giving them letters with detailed policy instructions. The prime minister ignored factional recommendations when nominating ministers, and took into account the skills of candidates instead. Moreover, to strengthen the position of the ministers against the bureaucrats, he often reappointed politicians to



crucial offices during cabinet reshuffles (Iio, 2008b, p. 196). What is important, Koizumi made full use of advisory bodies created by the administrative reform, especially of the Council on Economic and Fiscal Policy, supervised by Minister of State for Economic and Fiscal Policy Takenaka Heizō. By issuing basic policies (*honebuto no hōshin*) on a yearly basis, the Council heavily influenced the budget compilation process.

Eventually, Koizumi managed to impose the privatization of Japan Post on the bureaucrats and LDP backbenchers. After making minor concessions to the postal parliamentary tribe, the privatization was acknowledged by the LDP General Council at the end of June 2005 (Takenaka, 2006, pp. 204–226). Against the tradition of unanimity, the decision was made by a majority vote. While the House of Representatives authorized the privatization, the House of Councilors rejected the bill in August 2005. Surprisingly, Koizumi dissolved the lower house. As the head of government cannot dissolve the upper house, the only choice was to gain two-thirds of the seats in the House of Representatives to overrule the upper house's veto. The prime minister's position had been strengthened to the point that he expelled from the party all the politicians who opposed the bill and endorsed competing candidates in their constituencies. As a result, the LDP won as many as 296 out of 480 seats in the House of Representatives, which together with the votes of its coalition partner Kōmeitō was sufficient to pass the privatization bill (Uchiyama, 2007, pp. 94–102).

Koizumi's successor, Abe Shinzō, not only tried to continue the top-down leadership style, but also put greater emphasis on strengthening the Kantei. In his bestseller, *Towards a Beautiful Country*, he characterized himself as a "struggling politician" (*tatakau seijika*) who was not afraid to fight for his ideals despite harsh criticism (Abe, 2006, p. 4). Ignoring factional recommendations, Abe nominated his closest associates as ministers. He appointed the maximum allowed number of five prime minister's special advisers, mostly lawmakers, which indicated his intention to ensure political leadership. To keep bureaucrats in check, the Abe cabinet prepared anti-*amakudari* legislation, which was passed through the Diet in June 2007. The bill prohibited the practice of arranging employment for retired civil servants in public institutions or private companies (so-called *amakudari* – "descent from heaven"), which met with displeasure from the bureaucrats. What is important, the bill project was rejected by the administrative vice-ministers' council, but Abe arbitrarily ordered it to

be submitted for the cabinet's approval, thus ignoring the unwritten rule of bureaucratic guidance (Kakizaki & Hisae, 2007, pp. 74–111).

Despite his ambitious plans, Abe was less skilful than his predecessor in imposing his will on veto players. First of all, the political appointees in the government lacked a spirit of teamwork. Due to over-saturation of the Kantei with high-profile politicians who did not necessarily like each other, the prime minister was forced to micromanage various matters (Hayashi & Tsumura, 2011, pp. 134–135). Moreover, Abe did not attach as big importance to advisory councils, in particular the Council on Economic and Fiscal Policy, as Koizumi had (Shinoda, 2013, pp. 110–111). Instead, the prime minister started withdrawing from neoliberal economic policy, which undermined his credibility in the eyes of unaffiliated voters. Eventually, numerous scandals with ministers contributed to LDP's defeat in the House of Councilors election in July 2007, forcing Abe to resign two months later. His successors, Fukuda Yasuo (2007–2008) and Asō Tarō (2008–2009), preferred to return to traditional decision-making patterns.

Both Koizumi and Abe had the ambition to exceed the framework of political leadership and strengthen the Kantei's control over both bureaucrats and LDP backbenchers. While Koizumi displayed an effective top-down leadership, his successor's attempt at going one step further ended in failure. It turned out that while the electoral and administrative reforms of the 1990s provided the heads of government with new instruments of power, their use depended on the prime ministers' personal skills.

#### **4. Politician-Led Government under the DPJ Administration**

The DPJ achieved a landslide victory in the House of Representatives election in August 2009, and its leader Hatoyama Yukio formed an anti-LDP government the following month. The DPJ had called for the overthrow of “bureaucracy-led protectionism” since its establishment in 1998 (Democratic Party of Japan, 1998). In the 2003 electoral manifesto, DPJ politicians had stated that they wanted to establish “an administration under which the bureaucrats are shown who is boss” (Democratic Party of Japan, 2003, p. 6). Over the years, the slogans of political leadership became a desperately needed common denominator for the parliamentarians from both the left and the right wing of the Japanese political scene, who formed the biggest opposition party (Yamaguchi, 2012, pp. 58–69).

Before the electoral victory in 2009, the DPJ defined a politician-led government more precisely. In its electoral manifesto it announced the so-called “five principles,” the first three of which were directly related to political leadership:

“Principle 1: From government delegated to the bureaucracy, to politician-led government in which the ruling party holds full responsibility;

Principle 2: From a two-track system in which policy-making proceeds in parallel in government and in the ruling party, to a unitary system of Cabinet-centred policy-making;

Principle 3: From the ministries’ pursuit of their own compartmentalised interests to the pursuit of the national interest led by the Prime Minister’s Office” (Democratic Party of Japan, 2009, p. 4).

While the third principle suggested implementation of prime ministerial leadership, in fact, the DPJ focused on empowering all politicians in the government rather than the Kantei alone. The Hatoyama government planned to abolish the administrative vice-ministers’ council and instead increase the number of politicians in governmental posts to about one hundred. The “three political officials” (*seimu san’yaku*) – minister (*daijin*), senior vice-minister (*fukudaijin*), and parliamentary vice-minister (*daijin seimukan*) – were to take the lead in drafting, coordinating, and deciding policies in each ministry. Difficult issues involving several legislative fields were to be discussed by the related ministers during the cabinet committee meetings. The DPJ also planned to strengthen the power of the prime minister by establishing two new bodies: the National Strategy Bureau (*Kokka Senryaku Kyoku*) and the Administrative Reform Council (*Gyōsei Sasshin Kaigi*). The former’s mission was “to shape a national vision for the new era, and formulate the budget framework with politicians taking the lead,” and the latter’s to “scrutinise all budgets and programs and eliminate waste and abuses” (Democratic Party of Japan, 2009, p. 5).

In September 2009, Hatoyama abolished the administrative vice-ministers’ council and prohibited civil servants from holding press conferences or contacting with the representatives of other ministries without the consent of their political superiors. Instead, the “three political officials” took charge of policy coordination in separate ministries, while the issues exceeding competences of one legislative field were entrusted to cabinet committees. This reform created an impression of politicians taking the lead of policymaking, but in reality many coordination problems appeared both at the level of separate ministries and the government as a whole. Many of the

“three political officials” erroneously interpreted the “politician-led government” as a complete exclusion of the bureaucrats from the decision-making process. Instead of making general decisions and entrusting their execution to the administrative staff, DPJ lawmakers tried to assume all of the bureaucratic duties, which was futile (Koga, 2011a, p. 95). As a result, ministers, vice-ministers, and parliamentary vice-ministers were overwhelmed with work and lacked time to conduct inter-ministerial coordination.

The overworking of the “three political officials” was also caused by the fact that the Bill Establishing Political Leadership was not passed through the Diet before the DPJ lost its majority in the upper house in July 2010. Implementation of the bill would have not only increased the number of political appointees in the Diet, but also given sufficient legal basis for the activity of the National Strategy Bureau and the Administrative Reform Council. The relations between the cabinet and the ruling party were far from the ideals of the politician-led government, either. To unify the decision making under the government, Hatoyama abolished the DPJ Policy Research Committee and completely isolated ruling party backbenchers from the decision-making process. The only exception was DPJ Secretary-General Ozawa Ichirō’s influence on government policy from behind the scenes (Shimizu, 2011, pp. 63–103).

Both the abolition of the Policy Research Committee and Ozawa’s role as “shadow shogun” met with protests from DPJ backbenchers. While the “three political officials” actively participated in policymaking, the parliamentarians who did not receive governmental posts felt they were turned into mere “voting machines.” The intra-party voices of criticism increased when the government support rate dropped sharply at the beginning of 2010. Without inter-ministerial coordination conducted by the bureaucrats, the cabinet often lacked policy coherence, which increased the impression that the DPJ did not have enough experience to efficiently administer the country.<sup>2</sup> Eventually, Prime Minister Hatoyama resigned at the beginning of June 2010, after only eight months in office.<sup>3</sup>

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2 One of the best examples was the problem of relocation of the American military base, Futenma. During the electoral campaign in 2009, Hatoyama Yukio promised to move it outside the Okinawa prefecture, but he had to give up these ambitious plans due to American pressure. The inconsistency of declarations by various DPJ ministers on the possible relocation sites severely damaged Japan’s negotiating position.

3 Besides the failure in renegotiating the Futenma relocation agreement, Hatoyama resigned because of illegal donation scandals which involved himself and Secretary-General Ozawa Ichirō.

Hatoyama was replaced with Prime Minister Kan Naoto. As emphasized by Kan (1998, p. i), who had been one of the co-founders of the DPJ, Matsushita's vision of abolishing the "bureaucratic cabinet system" had constituted an inspiration for his political activity since the 1970s. Learning from the failure of his predecessor, the new head of government felt a need for a major modification of the concept of politician-led government. While in the past Kan had been known for his quarrels with bureaucrats, at a press conference in June 2010, he stated that it was absolutely out of the question to completely exclude the civil servants from decision making (Nakano, 2010, p. 8). In December 2010, Chief Cabinet Secretary Sengoku Yoshito explicitly asked all administrative vice-ministers to participate in the meetings of the "three political officials." As he emphasized: "The politician-led government does not mean an atrophy of administrative staff or delegation of all the decision making to the politicians. It means that the three political officials and the bureaucrats properly divide their roles, and work together for the people, while closely sharing information and communicating mutually" (Koga, 2011b, pp. 164–165). Another turning point occurred after the Great East Japan Earthquake in March 2011. To facilitate general coordination of disaster relief activities, Kan established the inter-ministerial liaison council (*ka-kufushō renraku kaigi*) composed of administrative vice-ministers (Kidera, 2012, p. 209). It resembled the administrative vice-ministers' council, but Chief Cabinet Secretary Edano Yukio stressed that its role was to follow the instructions given by the politicians, not to set an agenda for cabinet meetings (Shimizu, 2011, p. 12). In addition, Kan restored the DPJ Policy Research Committee. To ensure unification of decision making under the government, he nominated its Chairperson, Genba Kōichirō, as minister of state for national policy. Genba was supposed to conduct policy coordination between the government and the ruling party (Kuboniwa, 2012, pp. 133–134). Kan hoped that the Policy Research Committee would become a "frustration-venting" forum for the backbenchers.

Despite his efforts, Prime Minister Kan failed to establish an efficient top-down decision-making system. Eventually, frustrated with many communication problems and erroneous advice received from the bureaucrats during the Fukushima Daiichi Nuclear Power Plant crisis, he returned to belligerent anti-bureaucratic rhetoric at the end of his premiership.<sup>4</sup>

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4 On March 11, 2011, the Great East Japan Earthquake caused a radioactive leakage at the Fukushima Daiichi Nuclear Power Plant.

As pointed out by Machidori (2012, p. 119), in comparison with the Hatoyama administration, the ratio of Kan's appointments with the administrative staff of various ministries increased only slightly from 8% to 11%, and the percentage of meetings with the bureaucrats from Cabinet Office even dropped from 4% to 3%. Eventually, heavily criticized by intra-party opposition led by Hatoyama and Ozawa, Kan resigned in August 2011.

Noda Yoshihiko, who became prime minister at the beginning of September 2011, explicitly announced another major overhaul of decision-making mechanisms. He emphasized that the competition for leadership between the politicians and the bureaucrats was unproductive. Noda stressed that: "without making full use of the bureaucratic organization, which constitutes a group of experts, it is impossible to effectively administer the country" (Noda, 2011, pp. 102–103). In September 2011, Chief Cabinet Secretary Fujimura Osamu announced that the meetings of the inter-ministerial liaison council, founded in March 2011, would be convened regularly once a week. The council was formally turned into a permanent platform for discussion on all issues exceeding the competences of one legislative field (Minami, 2011, p. 4). In addition, Noda introduced a system of advance screening of all bills by the ruling party and promised he would not make any decision without explicit authorization by the DPJ Policy Research Committee. The DPJ backbenchers thus gained the possibility to block government policies. Answering to the concerns over the danger of the formation of parliamentary tribes, Policy Research Committee Chairperson Maehara Seiji emphasized that the right of advance approval was given exclusively to him, and that he did not intend to bend to the pressure from industrial circles (Maehara, 2011). Nevertheless, in many ministries the influence of interest groups grew tremendously. At the same time, internal frictions in the DPJ increased, especially after the decision on a consumption tax hike, which contributed to this party's crashing defeat in the parliamentary election in December 2012 (Zakowski, 2015, pp. 175–185).

The popularity of the slogans of political leadership culminated under the DPJ administration. Nevertheless, the over-ambitious plans of decision-making reforms ended in a disastrous failure, which translated into disappointment with the idea of politician-led government.

## 5. Return to Kantei Leadership under the Second Abe Administration

Opposite to the DPJ government that tried to empower all politicians in the government, the Abe cabinet, that was formed after LDP's return to power in December 2012, clearly promoted Kantei leadership, even at the expense of the political influence of individual ministers. To ensure better communication in the Kantei, Abe started holding daily meetings with key members of his staff: Chief Cabinet Secretary Suga Yoshihide, his three deputies, and the prime minister's executive secretary. Although such get-togethers usually lasted only 10 or 15 minutes, they became instrumental in avoiding any misunderstandings that had been one of the factors that caused the failure of the first Abe administration (Tazaki, 2014, pp. 26–33). As pointed out by George Mulgan (2018, pp. 87–95), the Abe Kantei acted as a collective rather than as a representation of the will of the prime minister alone.

Kantei leadership was symbolized by institutional changes in the Cabinet Secretariat. Numerous new offices and secretariats were temporarily established in this organ to deal with various policy initiatives. At the same time, the number of bureaucrats in the Cabinet Secretariat increased from approximately 800 persons in 2012, to more than 1000 in 2015. The new staff were dispatched in particular to the National Security Secretariat and the Cabinet Bureau of Personnel Affairs (Makihara, 2016, p. 81). The former organ strengthened the prime minister's control over foreign and security policy making, while the latter changed nomination patterns for high-ranking bureaucratic posts. The Cabinet Bureau of Personnel Affairs was established in May 2014 and enabled the strategic promotion of all executive officials of the rank of section heads (*buchō*) and above (Mori, 2019, pp. 190–193). As a result, more and more bureaucrats started acting as loyal executioners of the will of the prime minister rather than representatives of their home ministries.

What additionally kept bureaucrats in check was the fact that Abe did not reestablish the administrative vice-ministers' meetings in their pre-DPJ form. The organ, renamed the administrative vice-ministers' liaison council (*jikan renraku kaigi*), gathered once a week on Fridays – after, instead of prior to, cabinet meetings. As a result, its role was modified from advance authorization of policies, to discussion on the ways of implementing cabinet decisions (Asakura, 2016, p. 226). While subduing the bureau-



crats, Abe also controlled politicians in the government. He increased the number of ministers of state for special missions (maximum number of ministers was raised to 19) and charged them with the numerous policies of his ambitious policy agenda (Shindō, 2019, pp. 170–171). Furthermore, the prime minister entrusted supplementary responsibilities to almost all the cabinet members, which symbolized that they were expected to act as Abe's aides rather than as representatives of their ministries. According to Makihara (2016, p. 79), Abe controlled the “three political officials” in separate ministries indirectly – through bureaucrats who now remained loyal to the head of government.

Under his second administration, Abe finally managed to achieve the goals he had formulated in 2006. The powerful Kantei, backed by the coordination skills of Chief Cabinet Secretary Suga Yoshihide, became a centripetal force for the whole government.

## 6. Conclusion

While the terms “political leadership” and “prime ministerial leadership” are similar, they put emphasis on different aspects of decision-making reforms. The former concept became popular in the 1990s as a slogan for weakening bureaucrats' excessive political influence. What is characteristic, it was conceived by the eight-party coalition that ousted the LDP from power in 1993, and was revived by the DPJ government in 2009. As such, “political leadership” was treated as a remedy for the collusion between the dominant party and civil servants. Interpreted radically by the Hatoyama cabinet, it led to institutional disorder, which prompted Prime Ministers Kan Naoto and Noda Yoshihiko to gradually return to the traditional decision-making patterns even before the regaining of power by the LDP in 2012.

The concept of “prime ministerial leadership,” in turn, was more frequently promoted by LDP politicians. Prime Minister Koizumi Jun'ichirō took full advantage of the institutional tools provided by the Hashimoto administrative reforms to impose top-down leadership both on the bureaucrats and LDP backbenchers. Instead of all politicians, it was the Kantei that became the exclusive centre of power. Prime Minister Abe tried to continue Koizumi's efforts in 2006, but he failed due to excessive hastiness in imposing reforms on veto players. After returning to power in 2012, he managed to empower the Cabinet Secretariat against



civil servants thanks to such newly established organs as the Cabinet Bureau of Personnel Affairs. At the same time, Abe kept his ministers in check through bureaucratic guidance and the strategic nomination of cabinet members. As such, instead of isolating civil servants from the decision-making process, “prime ministerial leadership” turned them into loyal subordinates of the head of government.

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# List of Figures

Figure 3.1. Belt & Road Initiative, Overland Routes . . . . .	45
Figure 3.2. China's Maritime Belt & Road Initiative . . . . .	45
Figure 3.3. Hainan Airlines Eurasian Routes . . . . .	46
Figure 3.4. China's Import Transit Routes and Maritime Chokepoints . . . . .	46
Figure 4.1. ODA Offered to Asia by the EU, United States, Japan, and United Nations Agencies (in USD billions, current prices) . . . . .	62
Figure 4.2. A Model of Ideal (Non-existing) Relationship Between Offered ODA and Recipients HDI . . . . .	63
Figure 4.3. Total ODA (in millions of USD) / HDI in 2001 . . . . .	64
Figure 4.4. Total ODA (in millions of USD) / HDI in 2017 . . . . .	64
Figure 4.5. ODA Per Capita (in USD) / HDI in 2001 . . . . .	67
Figure 4.6. ODA Per Capita (in USD) / HDI in 2017 . . . . .	67
Figure 4.7. ODA as % of Recipient's GNI / HDI in 2001 . . . . .	68
Figure 4.8. ODA as % of Recipient's GNI / HDI in 2017 . . . . .	68
Figure 4.9. Share in EU ODA to Far East Asia . . . . .	72
Figure 4.10. Share in EU ODA to Central and South Asia . . . . .	72
Figure 4.11. Share in EU ODA to Middle East . . . . .	72
Figure 4.12. Correlation between Donor ODA Provision and Recipient HDI . . . . .	75
Figure 9.1. The Percentage of Democratic Dynasties Around the World . . . . .	149
Figure 9.2. Number of Legacy Candidates and Elected Lawmakers . . . . .	153
Figure 9.3. Legacy Candidates . . . . .	154
Figure 9.4. Percentage of Re-elected Politicians . . . . .	157
Figure 10.1. Number of References to the Terms "Political Leadership" ( <i>Seiji Shudō</i> ) and "Prime Ministerial Leadership" ( <i>Kantei Shudō</i> ) in <i>Asahi Shinbun</i> . . . . .	163



# List of Tables

Table 4.1. Possible Reasons for EU ODA Being Higher than the Trend . . . . .	70
Table 4.2. The Comparison of 2001 and 2017 ODA/HDI Coefficients . . . . .	71
Table 6.1. Military Comparison . . . . .	96
Table 6.2. Economy Comparison. . . . .	96
Table 6.3. State Visits . . . . .	102
Table 6.4. Bilateral Agreements. . . . .	103
Table 6.5. List of Islands under Control of Each Country . . . . .	104
Table 7.1. Value of the Trade between Romania and China 2011–2018 (USD thousands) . . . . .	119



# New Dynamics in Asia


The monograph illustrates different aspects of profound shifts in the economic, societal, political, and cultural landscapes of Asia. In three thematic blocks, it analyzes the US and the EU's changing position in East Asia, China's growing political and economic influence in the world, as well as the evolution of the Japanese democracy. By examining various dimensions of the politics, foreign policies, societies, and economics of selected Asian countries, it contributes to better understanding of a complex mosaic of intertwining interests of global and local powers in the region. A range of studies by Asia scholars stress the sudden rise of the People's Republic of China, accompanied by a waning position of Western powers in the Asia-Pacific, as well as economic and political stagnation of Japan. While indicating different methods for containing China's rise instituted by competing powers, as well as the social, humanitarian, political, and economic obstacles against the spread of the Chinese sphere of influence, the authors describe the dynamic changes that occurred on the Asian continent in the last decades.

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