
The Rise of China and its Power Status

Yan Xuetong*

The assessment of China's present power status in the world, to a certain extent, reflects people's concern about the rise of China in the future. There is a significant difference between a country that takes 30 years to rise and one that takes 300 years. The former is a human exertion and the latter is destiny. The former requires strategy while the latter depends on mere luck. For the sake of developing a correct strategy for its rise, China has to make constant efforts to understand its current power status. Ever since the early 1990s, scholars including the author, began assessing China's international power status.¹ More than 10 years have passed, yet scholars still have not reached any agreement on China's power status today. This article will set aside the popular index methodology, and as a replacement, adopt a power-class approach to assess China's power status based on our common knowledge of international studies. I hope this new approach will provide a simple and convenient method for judging China's power status and also create a common foundation for understanding the character of China's status and the conditions for China's ascent to a superpower.

Differences in Assessment and Reasons for Them

Variety of Differences in Assessment

The Soviet Union collapsed in 1991. A year later, debates on China's power status began to emerge. In 1992, the former Chief Economist of the World Bank Lawrence Summers believed that according to the Purchasing Power Parity (PPP) calculation, China's economy was already 45% of that of the United States.² In 1995, the World Bank's standard PPP estimates showed that China's Gross Domestic Product (GDP) was 4.7 times as much as the GDP value calculated by currency exchange rates.³ Thus, China's GDP increased to US\$3.8 trillion, which was 56% of the US GDP that year.

¹ Yan Xuetong et al., 'Dangqian Woguo Waijiao Mianlin De Tiaozhan He Renwu,' ('Challenges and Tasks China Faces in Current Foreign Affairs'), *Shijie Jingji Yu Zhengzhi* (*World Economy and Politics*), No. 4 (1993), pp. 21–2.

² 'China Survey', *The Economist*, November 28, 1992, p.5.

³ The World Bank, *1997 World Development Indications* (Washington, DC: The World Bank, 1997), p.6.

* Corresponding author. Email: yanxt@tsinghua.edu.cn

The author once deemed that China's comprehensive power in 1993 already ranked third in the world.⁴ However, in the early 1990s most scholars agreed with the method of using currency exchange rates to evaluate China's power status. They thus believed that China's power status was still far behind that of France and ranked only sixth, rather than third.⁵

Today in the 21st century, the differences in assessment of China's power status still remain unresolved. Debates continue about not only China's rank, but also whether China has achieved a superpower status. For instance, one fellow scholar in the Science Academy of Russia argued that China 'had earned the utmost reverence among the world community long ago. It is an actual world power and a brand new superpower as well'. Meanwhile he also believed that China's traditional culture of modesty caused its scholars to understate China's power.⁶ Some scholars hold the opinion that China's comprehensive power surpassed that of Japan in 1998 to rank second, but that China has not yet reached the status of a superpower.⁷ Nonetheless, others insisted that China's comprehensive national power in 1998 ranked sixth in the world, not only behind that of Japan but also Russia, as well.⁸ Still some claimed that in spite of a speedy rise, it would take another 10 years for China to be able to rival Japan by 2016.⁹

Political Reasons behind the Differences

The differences in assessing China's power status arise from many factors. First, there are political reasons that cause over assessments or under assessments of China's power status. Political reasons can be categorized into positive and negative types that possibly affect assessments of China's power status.

⁴ Yan Xuetong, *Zhongguo Guojia liyi Fenxi (Analyses of China's National Interests)* (Tianjin: Tianjin Renmin Press, 1996, p.95).

⁵ Huang Shuofeng, *Da Jiaoliang: Guoli Qiuli Lun (The Great Combat: National Power and Global Power)*, (Hunan: Hunan Press, 1992, p.272).

⁶ Titalenko, 'Lun Zhongguo Xiandaihua Jingji De Guoji Yiyi' ('On International Significances of China's Modernized Economy'), *Far East Affairs* (Russia), (October 2004), via *Cankao Xiaoxi (Reference)*, November 2, 2004, p.16.

⁷ Hu Angang and Men Honghua, 'Zhong Mei Ri E Yin Zonghe Shili De Guoji Bijiao: Jianlun Zhongguo Da Zhanlue (Dai Yi Xu)' ('International Comparisons of the Comprehensive National Powers of China, United States, Japan, Russia and India: An Analysis on China's Grand Strategy (A Preface for Translation)'), Ashley J. Tellis, Janice Bialy, Christopher Layne, Melissa McPherson, *Measuring National Power in The Postindustrial Age*, trans. Men Honghua and Huang Fuwu (Beijing: Xinhua Press, 2002), p.19.

⁸ China Institute of Contemporary International Relations, *Quanqiu Zhanlue Da Geju: Xinshiji Zhongguo De Guoji Huanjing (Global Strategic Configuration: China's International Environment in the New Century)*, (Beijing: Shishi Press, 2000), p.18.

⁹ Markers J., 'Zhongguo Zai Jueqi: Zhunbei Yingjie Zhongguo Shiji' ('A Rising China: Be Prepared for a Century of China'), *Global Post* (Canada) October 23, 2004, via *Huangqi Shibao (Global Times)*, January 5, 2005, p.9.

Positive political reasons for over-assessing China's power status include believing that China should undertake more international responsibilities. As China accomplishes more in her domestic economic reform, the international community and many Third World countries share a common expectation that China should assume more international responsibilities for the world economy and security. For instance, according to the World Bank's Purchasing Power Parity (PPP), China's GDP of 2003 was \$6.4 trillion, comparable to 58.7% of the US GDP of \$10.9 trillion and 1.7 times Japan's GDP of \$3.6 trillion.¹⁰ In his speech at Tsinghua University in 2004, the United Nations (UN) Secretary General Kofi Annan succinctly said that: 'Rich countries assume a huge responsibility. China is obliged, too, in this regard. I know you're accustomed to considering your country as a developing country. Yes, China is indeed a developing country. Perhaps it is the fastest developing country. However, the more successful development China achieves, the more people expect China to reach out to help those small or poor countries and deal with difficulties with them. In the same manner, as China gains higher status geopolitically, her share of responsibility in world security shall increase as well.'¹¹

Some people overestimate China's power status for negative purposes. They try to prove that China already poses a threat to the present international order or to other nations. To encourage their governments to adopt preventionist policy against China, they generally take the stand that China's comprehensive power has surpassed that of Japan, and that China will possibly challenge the US power status. Their estimate of China's national defence budget is several times larger than the figures from official Chinese sources.¹² The US Central Intelligence Agency claimed that China was the world's second largest economy with a defence expenditure of \$60 billion in 2003.¹³

Positive political reasons also make people underestimate China's power status in order to dispel the 'China Threat' perception, or to prevent the Chinese government from repeating the mistakes of the Soviet collapse

¹⁰ The World Bank, *2003 Data and Statistics*, http://www.worldbank.org/data/datatopic/GDP_PPP.pdf.

¹¹ 'Annan Mishuzhang Zai Qinghua Yanjiang Quanwen' ('Speech by UN Secretary-General, Annan at Tsinghua University'), <http://news.tsinghua.edu.cn/new/news.php?id=8809>.

¹² Joseph Grieco, 'China and American in the New World', in Carolyn W. Pumphrey, ed., *The Rise of China in Asia: Security Implications* (Washington: Strategic Studies Institute, 2002), p.25.

¹³ Mark Herpling, 'Yige Jueqi Zhong De Daguo' ('A Rising Power'), *Asian Wall Street Journal*, December 14, 2004, quoted from: *Cankao Xiaoxi (Reference)*, January 6, 2005, p.16.

by engaging in a military arms race with the United States. Many Chinese are concerned that acknowledging China's actual power status may cause the world superpower, the United States, to treat China as a major rival. In addition, some believe that the United States is attempting to trap China into a military arms race by manipulating the Taiwan independence movement. This is compared with the Soviet collapse, which was viewed as a direct result of such an arms race with the United States.¹⁴ To prevent the Chinese government from being cornered into the same fate, they underestimate China's comprehensive national power. They insist that China's power status in the beginning of the 21st century is only one-eighth to one-seventh of that of the United States, and one-fourth of that of Japan.¹⁵ By doing so, they can prevent those who believe in the 'China Threat' from assaulting China.¹⁶ Other underestimations are made out of negative political reasons in order to deny China's tremendous economic achievements. Those who resent the Chinese government will never acknowledge the ascent of China's power status.

Technical Reasons behind the Differences

In addition to the afore-mentioned political reasons, disagreement over measurement remains a major reason causing differences in estimations of China's power status. To date, more than 10 evaluation and measurement methods have been in use in the field, with basically all using a different type of index. The measuring methods used in assessing China's power status have become increasingly complicated. There are neither common standards for measuring nor continuity in methodology development. The differences in measurement appear for many reasons, though we will focus only on a selection of measurements used to study China's comprehensive state power. For instance, scholars at Tsinghua University of Beijing classify the factors of comprehensive state power into eight categories and 23 indices, while their peers in China Academy of Social Sciences use eight categories and 64 indices; scholars in the Academy of Military Sciences of the People's Liberation Army (PLA) have developed a seven-category system which consists of 29 secondary indices and over 100 tertiary indices; and analysts in the China Institute of Contemporary International Relations have proposed

¹⁴ In this author's opinion, the collapse of the Soviet Union was due to Gorbachev's inability to prevent the independence of three states of the Baltic Sea, including Latvia, by military resolution. It was Soviet political systems, not the arms race, that caused the collapse of the Soviet Union. The United States and Korea both have been involved in the arms races in no smaller scale than the Soviet during the Cold War, and these nations did not collapse. Therefore, attributing the collapse of the Soviet Union to arms races lacks of sufficient scientific validation.

¹⁵ Feng Zhaokui, 'Chongxin Renshi Daguo De Shili' ('Rediscover the Great Power'), *Shijie Zhishi* (World Affairs), No. 7 (2002), p.8.

¹⁶ 'Zhengque Gujia Zhongguo Shili' ('Assessing China's Power in a Correct Way'), *Renmin Ribao* (People's Daily), December 3, 2004, p.7.

a seven category, 115 basic indices scheme in their measurements.¹⁷ Due to the lack of a common standard, neither increasing the number of factors measured, nor using complicated measurements have led to an improvement in the accuracy of measuring China's current power status.

The absence of a common standard for measuring China's power status results in vastly different conclusions. For example, according to scholars from the Academy of Military Sciences of the PLA, in 1996 the top-ranked nations in comprehensive state power were the United States, Japan, Germany, Russia, France, Britain and China, respectively. In 1998, scholars from the China Institute of Contemporary International Relations Studies gave their rankings as the United States, Japan, France, Britain, Germany, Russia and China. The same year, scholars from Tsinghua University announced their top five ranked states in terms of their comprehensive state power as the United States, China, Japan, India and Russia.¹⁸ From all the above studies, there is only one consistent conclusion: that the United States is number one in the world in terms of comprehensive state power. None the less, even this common acknowledgement of US power status has not been obtained through any consistent, objective measuring effort, but instead is based merely on subjective judgements made prior to any measurement.

Currently, Chinese scholars have a hard time in identifying the single, most accurate measurement for assessing China's comprehensive power. Nevertheless, we are somehow capable of determining if a measuring result is erroneous by simply judging with our common knowledge. The rationale for measuring comprehensive national power does not show in its degree of complexity but in the differences between a measured result and a result that has been obtained by an analytical approach based on common knowledge. The larger the difference in the two, the less likely a measuring method is usable. For instance, one measuring result on 17 states' comprehensive national power in 2001 indicated that Canada ranked third in the world, ahead of Russia, France, Germany, Britain and China; Australia was

¹⁷ See, Hu Angang and Men Honghua, *Zhong Mei Ri E Yin Zonghe Shili De Guoji Bijiao* (International Comparisons of the Comprehensive National Powers of China, United States, Japan, Russia and India), pp. 4, 12; Wang Songfen, *Shijie Zhuyao Guojia Zonghe Guoli Bijiao Yanjiu* (Comparative Studies on Comprehensive National Powers of World Major States) (Changsha: Hunan Press, 1996); Huang Shuofeng, *Zonghe Guoli Xinlun: Jianlun Xinzhongguo Zonghe Guoli* (New Perceptions on Comprehensive National Power: with Concurrent Reviews on New China's Comprehensive National Power), (Beijing: China Social Science Press, 1999), p.98; China Institute of Contemporary International Relations, *Quanqiu Zhanlue Da Geju: Xinshiji Zhongguo De Guoji Huanjing* (Global Strategic Configuration: China's International Environment in the New Century), (Beijing: Shishi Press, 2000), pp. 30–2.

¹⁸ Huang Shuofeng, *New Perceptions on Comprehensive National Power*, p.119; China Institute of Contemporary International Relations, *Global Strategic Configuration: China's International Environment in the New Century*, p.18; Hu Angang and Men Honghua, *International Comparisons of the Comprehensive National Powers of China, United States, Japan, Russia and India*, p.18.

also ranked ahead of Britain and China.¹⁹ As a matter of fact, Canada and Australia are behind China and Britain, respectively, in terms of not only their military and political weight but also of their economic power. Currency exchange rate comparisons had shown that in 2001, the GDPs for Britain and China were \$1429.2 billion and \$1155.8 billion, respectively, compared with \$1084.1 billion for Canada and \$418.5 billion for Australia.²⁰

Problems in Assessing Difference

Based on the above observations, we are able to identify three phenomena which pose some problems for us, and must be resolved: (1) the complexity and meticulousness of the index value method makes little improvement on the accuracy and objectivity of a measure; (2) no matter what method is used, one can easily come to the conclusion that the US power status far surpasses any other major power in the world; (3) there is still no consensus on China's current power status nor on her future growth rate among Chinese scholars. Both complicated and random methods cannot provide accurate measurement of national power. Does the accuracy of measurement have any meaning in assessing China's power status? Furthermore, if our common knowledge can help us reach a consensus on US power status, we ask why we cannot use our common knowledge to assess China's present power status. As differences still remain in people's understanding about the present and future of China's power status, we question ourselves further: does China now possess the power base for her rise? And what can be foreseen for China's power status in 10 years and beyond?

Relativity in Assessing China's Power Status and its Implications

The author believes that in order to study China's power status objectively, we should first understand the true nature of international power and clarify our goal for measuring the differences of national powers. If we fail to do this, then as complexity in these measurements increases, their pragmatic value actually decreases. Therefore, the results of assessment will not benefit us at all in understanding national power status.

Relativity in Assessing China's Power Status

Power status connotes relativity. It refers to ranking the power status of one state with relevance to that of other states in an international sphere.

¹⁹ Chen Sha, 'Zhongguo: Zengzhang Yu Chaju' ('China: Growth and Diparity'), *Shijie Zhishi* (*World Affairs*), No. 7, 2002, p.10.

²⁰ *Shijie Zhishi Nianjian 2002/2003* (*Year Book 2002/2003: World Affairs*) (Beijing: Shijie Zhishi Press, 2002), pp. 6, 819, 935; *Shijie Zhishi Nianjian 2003/2004* (*Year Book 2003/2004: World Affairs*) (Beijing: Shijie Zhishi Press, 2003), p.975.

The power status of a state can be understood only through a simultaneous comparative assessment of the power status of other nations. If there is only one nation in the world, then there is no frame of reference with which we can decide if a country's power status is high or low. This means that only when there are two or more countries in the world, that the study of a state's power status and its comprehensive national power has significance. The term 'power status' contains a connotation of both 'the rank of power status' and 'the differences in power status'. Whereas the difference in power status decides the rank of power status, the rank of power status cannot always truly reflect the real nature and degrees of difference in power status. During the Cold War period, the United States and the Soviet Union ranked first and second, respectively, in their power status. However, the difference in power between them remained at a hierarchical level of superpowers. But in the 1990s, while the United States still kept its top ranking (regardless of which major power stayed in second: Russia, Japan or China), the nature of the ranking gap between the first and the second power states changed substantially, because it became a difference in power status between a superpower and a major power.

The power status of a state is based on, but not decided by, its national power. In other words, the increase of a state's power does not necessarily elevate that state's power status. For example, in the late 19th century during the Qing Dynasty, China had enough industrial capacity to arm its military. Its overall national power was far larger than that of the early Qing Dynasty when there was no modern industry. However, internationally, China's power status during the late Qing Dynasty was far behind that of the early Qing Dynasty. Take the current cases of The Netherlands and South Korea. In 1999, GDP in The Netherlands grew from \$393.5 billion to \$398.1 billion, with an absolute increase of \$4.6 billion. However, according to World Bank statistics, the ranking of The Netherlands fell below that of South Korea, whose GDP in the same period increased from \$317.1 billion to \$406.1 billion.²¹

The rank of a state's power status is decided by the difference between its own power status and that of other states. However, this absolute difference does not indicate the nature and extent of power differences between states. The absolute value of the disparity in power status between two states indicates which state possesses a mightier power status. Therefore, it reflects the rank of the power status of the two states. However, this absolute difference hardly displays the true nature and class difference of a state's power status. For instance, according to the 2003 World Bank GDP statistics, by currency exchange rates, the GDP difference between Japan

²¹ Statistics Bureau of the People's Republic of China, *Guoji Tongji Nanjian 2003 (Year Book 2003: International Statistics)*, (Beijing: Zhongguo Tongji Press, 2003), p.48.

and Germany was \$1.93 trillion while the GDP difference between Germany and Brazil was \$1.97 trillion.²² The absolute values of the two differences vary little, but this by no means indicates that the difference in economic power between Germany and Japan shares any similarity with the difference between Brazil and Germany. Common sense leads us to conclude that Germany and Japan share the same class status, but that Brazil and Germany do not.

The power status of a state depends on how its national power compares with that of other nations. We can clarify this further by looking at GDP comparisons for Japan, Germany and Brazil. In 2003, Japan's GDP amounted to \$4.3 trillion, Germany's to \$2.4 trillion and Brazil's to \$0.5 trillion.²³ Despite the fact that the difference in GDP between Germany and Japan almost equals that between Brazil and Germany, Japan's GDP was only 1.8 times Germany's GDP while Germany's GDP amounted to 4.8 times that of Brazil. This helps us understand that using common knowledge leads us to conclude that Germany and Japan share the same economic class, whereas Brazil and Germany are quite different.

In short, it is the proportional relationship between the power statuses of two states, not the absolute quantity of difference that decides a state's power status. It can be expressed as: $S = A/B$, (where S indicates power status of State A in proportion to that of State B; A refers to the power of State A, and B to the power of State B.) In the reality of international politics, when two states confront each other on a specific issue, the advantages and disadvantages of their powers depend largely on one state's power in proportion to the other. As an example, assume a small military skirmish along a common border between two nations, Side A has three soldiers and Side B only one. Although Side A has only two more soldiers than Side B in absolute number, its power is 200% greater than that of Side B (i.e. the possibility of winning for Side A is three times as much as that for Side B). To cite another example, Side A has 102 soldiers and Side B 100; even if Side A has two more soldiers than Side B, its power strength gains only a 2% advantage. Therefore, the possibility of winning for either side is almost equal. In this analogy, to assess China's power status and its progression, one should focus on China's power status in proportion to the power status of other states, instead of solely on the absolute differences in the power of two states.

Importance of Assessing China's Power Status

Because power status is relative, recognizing China's power status in relation to that of other states is of immediate significance in our study.

²² World Bank GDP Data, <http://www.worldbank.org/data/databytopic/GDP.pdf>.

²³ *Ibid.*

In order to further understand China's power status we consider the following three aspects. First, by understanding the relativity of power status, we can better understand the major difference in defining the 'Rejuvenation' or 'Rise' of China. In 2003, the Chinese leaders first introduced the term 'Peaceful Rise'. However, in April 2004 at the Boao Asia Forum, it was replaced by 'Peaceful Development'. This was mainly because 'Rise' has a relative meaning in terms of power status.²⁴ Despite the often heated debates on 'Peaceful Rise', scholars on all sides acknowledge that the word 'Rise' implies attaining superpower status.²⁵ For the Chinese, 'rejuvenation' bears a similar connotation to 'rise'. Both mean to restore China's power status to the prosperity enjoyed during the prime of the Han, Tang and early Qing Dynasties. It does not simply refer to a regression of China's comprehensive national power down to the ancient level. By early 21st century standards, China's comprehensive national power in the aforementioned ancient periods was only equivalent to a state of low power status in the current international system. As power status changes with time and the international environment, China's national rejuvenation will be realized only if its pace of national power growth is faster than that of other countries. Growth at any slower pace will weaken China's power status gradually and thus diminish the hopes of national rejuvenation and rise.

Second, the zero-sum nature of power status helps us understand that there will be no win-win situation in conflicts among international political entities accompanying the rise of China. Power status and international politics share the same zero-sum characteristic. The rise of a state's power status indicates an expansion of its political power. This in turn causes the fall of other states' power status and political power. Powerful states remain a minority in the world while weaker states remain a majority. Until September 2002, no more than 10 global or regional major powers had been listed among 191 member countries of the UN.²⁶ The middle and small powers are represented in greater numbers in this ranking. As the power status of one small state increases, the relative power it gains is drawn from many other middle or small states of similar power status. Thus, an evenly

²⁴ Hu Jintao, 'Zai Jinian Mao Tsedong Tongzhi Danchen 110 Zhounian Zuotanhui Shang De Jianghua' ('Speech at the Conference of the 110 Birthday of Comrade Mao Tsedong'), *Renmin Ribao* (People's Daily), December 26, 2003, p.2; Hu Jintao, 'Zhongguo De Fazhan, Yazhou De Jiyou – Zai Boao Yazhou Luntan 2004 Nian Nianhui Kaimushi Shang De Yanjiang' ('China's Development, Asia's Opportunity – Speech at the Opening Ceremony of 2004 Annual Meeting of Asia Boao Forum'), *Renmin Ribao* (People's Daily), April 25, 2004, p.1.

²⁵ Yan Xuetong etc., 'Zhongguo Heping Jueqi De Guoji Huanjing Yu Guoji Zhanlue' ('International Environment and Global Strategy for China's Peaceful Rise'), *Jiaoxue Yu Yanjiu* (Teaching and Research), No. 4 (2004), pp. 5–20; Yan Xuetong et al., 'Daguo Jueqi Yu Zhongguo De Xuanze Bitan' ('A Pen Discussion on the Rise of Great Powers and China's Choice'), *Zhongguo Shehui Kexue* (Social Science in China), No. 5, 2004, pp. 51–63.

²⁶ *Shijie Zhishi Nianjian 2002/2003* (Year Book 2002/2003: World Affairs), p.1120.

spread decrease in power in every small power is not obvious, and so is unlikely to cause conflict among these states. For instance, the sum of international political power for 100 small states is fixed and stable, and each small state holds 1% of this power sum. When one small state increases its power status to 1.9% of the total power, the share for each of the remaining 99 countries is decreased to 0.99%, i.e. each country loses only 1% of its original power. On the other hand, an increase in power status for a major state usually conveys serious outcomes in this aspect. Great powers are few in number. Therefore, as a major power gains an advantage in its power status, the remainder of the few major powers feel a tremendous loss of their original power. If the dominant world power belongs to a single state, then this hegemony holds 100% of the power. When the power status of another state increases to the same level, there are two states sharing this world dominant power. That means, among those with dominant power, the former hegemony will be diminished to half, or only 50%. Since a change in a major power's power status may result in the restructuring of international relations and a rearrangement of world resources, studies on comprehensive national strength and power status are of the utmost importance only for those few major powers. The zero-sum nature in power status gives us the insight that a majority of political conflicts along China's path to her rise will bear this zero-sum nature as well. In other words, there will be few win-win situations in China's ascent to a superpower.

Third, by recognizing China's current power status, we can better perceive the strategic relationship between China and the other major powers in the post-Cold War era. In a world configured with one superpower against several major powers, the United States is destined to defend its status against any possible challenging states in the future. As one of the major powers after the Cold War, China automatically becomes an opponent of the United States. None the less, the United States will decide whether to interpret China as its number one rival on the basis of how China's power status changes. Although China and the Western European major powers have been categorized as regional powers, the geographical distances between them cause fewer conflicts of interest. Thus they may even forge a strategic alliance against the United States' hegemonic pressures. However, in East Asia, China and Japan have fundamental conflicts that will cause inevitable confrontations between the two. In the early post-Cold War period, Japan was the world's second economic power after the United States, and the number one economic power in East Asia. If its economic power status decreases due to an increase in power status of other states, both globally and regionally, Japan may take several measures to protect its existing international status by strengthening its political and military power. Thus, if China's economic power status replaces that of Japan,

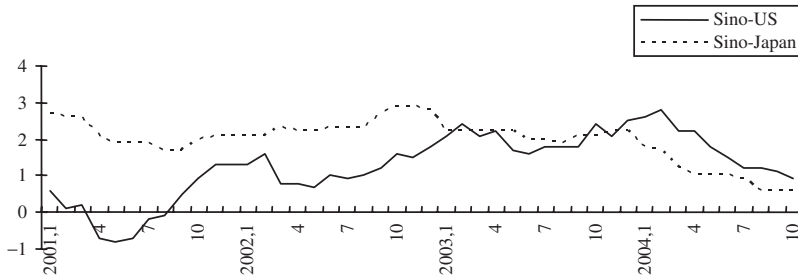


Fig. 1 2001–2004 changes in Sino–American and Sino–Japanese relations.

Japan may confront China politically. A better understanding of China's power status enables us to know why structural conflicts exist in China's strategic relationships with the United States and Japan but not with the major European powers.

Figure 1 shows a quantitative measure indicating the state of relations between China and the United States, and between China and Japan during 2001–04. In Figure 1, we can see similarities in the trajectories for Sino–American and Sino–Japanese relations. A consistent characteristic is revealed in both sets of relations: the conflict in power relations between the two pairs of states. Since 2003, the curve for Sino–Japanese relations decreases faster than that for Sino–American relations. As we enter the 21st century, an ascent in China's power status poses a potential challenge not only to the US power status but also an immediate challenge to the power status of Japan. Therefore, it is Japan rather than the United States who has adopted a much tougher foreign policy towards China, which in due course has resulted in a deterioration in Sino–Japanese relations. Thus, the Sino–Japanese relationship has been much worse than that between China and the United States.

Comprehensive National Power and China's Power Status

After clarification that national power status is relative, we also need to clarify the nature of comprehensiveness of national power status. Even though the term 'comprehensive national power' was coined after the Cold War, the idea that national power is a combination of many different elements has been around for centuries.²⁷ Nevertheless, people's understanding of comprehensive national power varies widely, i.e. people

²⁷ Huang Shuofeng, *New Perspectives on Comprehensive National Power*, pp. 1–13.

cannot reach an agreement on how to weigh the different components. In order to form an objective judgement of China's power, we need to clearly define the relationships between the different components that form national power.

Relationships Among Elements of National Power

Although scholars hold major differences of opinion regarding the fundamental components of comprehensive national power, they have reached consensus in dividing those components into 'soft' and 'hard' power. Alfred Thayer Mahan believes that state power consists of six components; Hans. J. Morgenthau has classified nine components for his study; and Ray. S. Cline separates it into five types. However, all of them divide components of state power into 'soft' and 'hard' categories.²⁸ After the Cold War, Chinese scholars applied the concepts of 'soft' and 'hard' power into their studies.²⁹

In the post-Cold War era, many scholars use Cline's Power Equation, introduced in the 1970s, in their measure of comprehensive national power. The author believes that Cline's significant contribution to the field was not his new conclusion on components of state power, but rather his inclusion of both 'soft' and 'hard' powers as factors rather than addends in his equation.³⁰ Even today, many people outside of international studies have the erroneous notion that comprehensive national power is simply the sum of various power elements.³¹ The concept that comprehensive national power is a product rather than a sum of 'soft' and 'hard' powers introduced by Cline makes us realize that 'soft' power is as equally important as 'hard' power in political reality. As both 'soft' and 'hard' powers stand as factors, if one of them is zero, no matter how large the value of the other is, the total value of the comprehensive power will be zero. For instance, if the efficacy of a deterrence strategy equals its military might times its political will, the deterrence strategy will have no efficacy when either factor (military might or political will) is zero. The power for national unification is also a produce of a state's military strength and political determination. In 1991, as the Soviet government lacked a strong will to retain military forces to protect

²⁸ Huang Shuofeng, *Great Combat: National Power and Global Power*, pp. 12–9.

²⁹ See, the introduction part on research disagreements among the Chinese scholars in the first section of this article.

³⁰ Cline Function: $Pp = (C + E + M) * (S + W)$

Pp: Perceived power, C: Critical mass, E: Economic capability, M: Military capability, S: Strategic purpose, W: Will to pursue national strategy. See, Huang Shuofeng, *Great Combat*, p.18.

³¹ Geng Shunchuan and Li Guiyun, 'Zonghe Guoli Yu Guoji Jingzhengli Gaishuo' ('Introduction on Comprehensive National Power and International Competitive Strength'), *Zhongguo Dili Jiaoxue Cankao* (*China Geography Teaching References*), No. 3, 2002, p.27.

its unification, the Soviet Union collapsed in spite of its military superpower. In reality, a state must be composed of its population, territory and economic infrastructure, or it will disappear. Therefore, it is unlikely that a state has zero 'hard' power. Rather, it is the 'soft' power that sometimes turns out to be zero. In a given conflict, if one side can no longer confidently protect its interests, the state's comprehensive power as well as its 'soft' power would vapourize. In 1931, when Japan invaded China's northeast areas, the Chinese government adopted a policy of non-resistance for the sake of avoiding escalation.³² With regard to protecting China's northeastern territory, both China's 'soft' and comprehensive national powers were zero. As a result, the Japanese armies occupied China's three northeastern provinces with little resistance.

The structure of power components influences the character of comprehensive national power. This structure varies from state to state. Using examples of major powers in the 21st century, Japan and Germany's economic powers are significantly greater than their political and military powers, while Russia's military is very strong in proportion to its economic power. The United States, China, France and Britain possess relatively balanced comprehensive national power structures, and their economic, political and military powers are all weighed relatively equal. Some claim that economic power is the dominant factor in comprehensive national power. In fact, this notion contradicts the connotation of comprehensive national power.³³ A state does not rely on abstract comprehensive national power in dealing with international issues, but rather on its specific power components. That is to say, a state relies on military power to deal with a security threat, and relies on economic power to deal with economic conflicts, and depends on its political power to deal with political pressures. These component powers cannot be converted unconditionally. It requires a long time and many conditions to convert one power component to another. The difficulty of converting power components directly affects the efficiency of comprehensive national power. That is to say, balanced power structure has superiority over unbalanced power structure. If we agree that states have a need to maintain their economic, security and political interests, we should also agree that states with a balanced power structure will gain an advantage over those with unbalanced powers in dealing with most of their external issues. In other words, a state with a balanced power structure has an advantageous position in comprehensive national power while a state with an unbalanced power structure can only have advantage on certain interests over the others, but it will not have any overall advantage. A comparative case study of the Soviet Union and Japan in the 1980s

³² Wang Shengzu, *Guoji Guanxi Shi – Shangjuan (History of International Relations, Volume One)* (Wuhan: Wuhan University Press, 1983), p.404.

³³ Huang Shuofeng, *New Perspectives on Comprehensive National Power*, p.12.

further supports our argument. In 1985, the Soviet Union's GDP was \$741.9 billion and Japan's \$1220 billion, which accounted for 18.6 and 30.6% of the US GDP of \$3988.5 billion, respectively.³⁴ In spite of the fact that the Soviet Union's economic capacity was less than that of Japan's, the Soviet Union possessed a military and political power comparable with that of the United States. Thus the comprehensive power of the Soviet Union was of the superpower-level, while Japan was merely a major power.

Character of China's Comprehensive Power

We will adopt a class approach to assess China's power status, in accordance with the political meaning of international status. The author's goal is to understand the differences between the status of China and that of other greater powers, rather than to accurately measure the degree of difference between them. Therefore, applying this power class analysis enables us to make sound judgements on the character of China's comprehensive power in comparison with that of other great powers, without using a complicated index system. Assigning values to each of the national power components is a very subjective process; therefore, quantitative measurements can hardly improve accuracy and reliability in research results. The goal of measuring comprehensive national power is to identify the characteristics of the differences in power, thus the essence of comprehensive national power measuring remains in establishing standards for power measurement, rather than in dissected analyses of power components. As a further analogy, the function of a thermometer is to identify the degree of change in temperature but not to study the reasons for the change. Therefore, if a measurement can efficiently assess the different characteristics of a major powers' national strength, that measure will be sufficient for assessing China's comprehensive power. When the power difference of two states is very obvious, there will be no need to use measurement and a common sense judgement should be sufficient in order to define the stronger state. For instance, we can conclude that the comprehensive national power of the United States is stronger than that of China, China is stronger than Australia, Australia is stronger than New Zealand and New Zealand is stronger than Brunei.

In this article, the author will adopt a simple and convenient measurement, namely to assess China's power class using common knowledge in international relations, and then to further compare China's power structure with that of other states at the same class for the sake of judging their difference. It is common knowledge that the United States is the only superpower in the post-Cold War era. This common knowledge

³⁴ *Shijie Zhishi Nianjian 1987 (Year Book 1987: World Affairs)*, (Beijing: Shijie Zhishi Press), pp. 78, 86, 392.

Table 1 National Defence Expenditure for the United States, China, Japan, India, France, Britain, Russia and Germany in 2002 (Unit: Billion US\$)

	United States	China	Japan	India	France	Britain	Russia	Germany
Exchange rates	335.7	31.1	46.7	12.9	33.6	36.0	11.4	27.7
PPP	335.7	142.9	32.8	66.5	36.8	34.0	55.4	31.0
Average	335.7	87.0	39.75	39.7	35.2	35.0	33.4	29.35

Source: Stockholm International Peace Research Institute, *SIPRI Yearbook 2003: Armaments, Disarmament and International Security*, Translated by The Association for China Arms Control and Disarmament (Beijing: Shijie Zhishi Press, 2004), p.371.

has significant impact on the value-vest of complicated national power measurements. All the complicated measurements vested much higher value to the US comprehensive national power than that of any other major powers'. Based on common knowledge, we can judge that China's power status has not yet reached the superpower level. Our common judgement of an international system of one superpower versus many smaller great powers after the Cold War helps us understand that China belongs to one of the major powers and her power status remains at the same echelon as Japan, Russia, Britain, France, Germany and India. Once we have clarified China's power status and its hierarchical rank, we are ready to identify the difference in China's comprehensive power with that of other major powers. For this purpose, we need to classify the afore-mentioned major states into 'strong' or 'weak' categories in terms of political, economic and military power, respectively.

With regard to military power, the data from Stockholm International Peace Research Institute shows that in 2002, based on the average of currency exchange rates and PPP statistical data, the national defence expenditures for the afore-mentioned major states ranked as follows: China, Japan, India, Britain, France, Russia and Germany. Even if China's military expenditure stays highest among the six countries, the average value of currency exchange rates and PPP data indicated that the national defence expenditures for all the seven powers have been kept at the same level, none get into the rank of hundreds of billions (the United States' national defence expenditure was US\$335.7 billion) (Table 1).

A state's military capacity over a certain period of time is an accumulated result of its military investments in the previous years instead of the defence expenditures of the current year. Therefore, to estimate and categorize the military power of the seven states mentioned earlier, we should incorporate both strategic nuclear capacity and national defence expenditures of those states. According to the same source, in 2003 the number of the nuclear warheads of the seven states listed as follows: Russia has 8332 nuclear warheads; China, 402; France, 348; Britain, 185; India, 30–40; and

Table 2 2003 GDP for China, Japan, Germany, France, Britain and Russia (Unit: US\$ trillion)

	Japan	China	Germany	India	Britain	France	Russia
Exchange rates	4.32	1.40	2.4	0.6	1.79	1.75	0.43
PPP	3.58	6.43	2.28	3.10	1.60	1.63	1.31
Average	3.95	3.92	2.34	1.85	1.70	1.69	0.87

Source: World Bank GDP Data: <http://www.worldbank.org/data/databytopic/GDP.pdf>; http://www.worldbank.org/data/databytopic/GDP_PPP.pdf.

both of Japan and Germany, zero.³⁵ Although Russia's 2003 national defence expenditure is less than that of the other nuclear states, its nuclear arsenal is superior both in quantity and level of sophistication. The third indicator for military power is army scale which shows the quantity of conventional military armaments and number of professional trained military personnel. China, Russia and India all have forces of over 1 million personnel, while France claims a military force of 440 000 and Britain, Germany and Japan have between 200 000–300 000 personnel.³⁶ To fully consider defence expenditure, nuclear capacity and army scale as three major indicators, we can further divide the military power of the seven states into strong and weak classes as follows. Strong: Russia, China, France, India and Britain; weak: Japan and Germany. In terms of political power, China, Russia, France and Britain as permanent members of the UN Security Council, are politically strong; and Japan, Germany and India are weak as none is a permanent member of the UN Security Council. In terms of economic power, according to World Bank 2003 statistics, using the weighted average of both PPP and exchange rates, the major powers like Japan, China and Germany with a GDP of over \$2 trillion can be categorized as economically strong; while those with a GDP below \$2 trillion are weak, such as, India, Britain, France and Russia (Table 2).

Based on the afore-discussed power comparisons for seven major powers of strong or weak class, we get the Table 3.

Table 3 shows that China is the only state that gains overall vantage over the other states in military, political, and economic power, respectively. Thus, China is a country with a relatively balanced power structure. States with two strong categories in power status are France, Britain and Russia. States with only one strong category are Japan, Germany and India, whose power structures are obviously unbalanced. In the previous analysis

³⁵ Stockholm International Peace Research Institute, *SIPRI Nianjian 2003 – Junbei, Caijun Yu Guoji Anquan (SIPRI Year Book 2003: Armaments, Disarmament and International Security)*, trans. China Association of Arms Control and Disarmament (Beijing: Shijie Zhishi Press, 2004), p.815.

³⁶ *Shijie Zhishi Nianjian 2003/2004 (Year Book 2003/2004: World Affairs)*, (Beijing: Shijie Zhishi Press, 2003), pp. 10, 163, 257, 614, 643, 789.

Table 3 Early 21st Century State Power Structure for China, France, Britain, Russia, Japan, Germany and India

	China	France	Britain	Russia	Japan	Germany	India
Military power	Strong	Strong	Strong	Strong	Weak	Weak	Strong
Political power	Strong	Strong	Strong	Strong	Weak	Weak	Weak
Economic power	Strong	Weak	Weak	Weak	Strong	Strong	Weak

on power structure, the author has explained why advantageous comprehensive national power can only be sustained in a balanced power structure. Even though China's power status remains at the same echelon as the rest six major states, it has a more balanced power structure than the other six states. Its power structural advantage determines China's comprehensive power stronger than that of the other six states.

Based on the principle that 'soft' power is equally significant as 'hard' power, we can distinguish the character of China's power and the difference in power status between the United States and China. China's comprehensive power is not only inferior to that of the United States as a whole but also in every single aspect of military, political, and economic power. However, when comparing China's power component one by one with that of the United States, the difference in each comparing component varies greatly. In terms of military power, China's 2002 nuclear warheads amounted to only 5.3% of the United States' 7600 arsenal. At the average value of exchange rates and PPP calculations, China's 2003 national defence expenditure accounted for 26% of US expenditure (Table 1).³⁷ In terms of economic power, China's 2003 GDP accounted for 13% of the US\$ 10.9 trillion GDP by exchange rate calculation, 59% by PPP rate and 36% by the average of the both.³⁸ As political power can be interpreted as a state's capability of mobilization, it can be further divided into domestic and international capabilities of mobilization.³⁹ With regard to domestic mobilization capability, the different political systems of China and the United States provide China with a stronger political mobilization capability than the United States as China possesses more administrative measures to mobilize its people. Internationally speaking, China's political mobilization capability is weaker than that of the United States. However, the gap is much smaller with regard to military and economic power. For instance, between 1990 and 2001, the United States made 10 anti-China proposals

³⁷ Stockholm International Peace Research Institute, *SIPRI Nianjian 2002 – Junbei, Caijun Yu Guoji Anquan (SIPRI Year Book 2002: Armaments, Disarmament and International Security)*, trans. China Association of Arms Control and Disarmament (Beijing: Shijie Zhishi Press, 2004), pp. 739, 371.

³⁸ World Bank Data, <http://www.worldbank.org/data/databytopic/GDP.pdf> and http://www.worldbank.org/data/databytopic/GDP_PPP.pdf.

³⁹ 'Political mobilization capability' refers to political resources that are available. It differs from the legislative foundation or social foundation of political mobilization capability.

to the UN Human Rights Committee over China's human rights conditions and each time they failed because of China's counter efforts.⁴⁰ China's capability in mobilizing the international community to safeguard her own political interests concerning human rights issues is much more powerful than her capabilities in safeguarding her economic and security interests internationally. Since the end of the Cold War, China has never showed such a strong resistant capability in Sino-American economic or security conflicts. By way of the afore-discussed comparisons, we have discovered that the greatest disparity in power status between China and the United States remains in military power, with a smaller disparity in economic power, and least in political power.

Change of Power Status and the Speed of China's Rise

Entering the 21st century, there are more and more predictions about when China will become a superpower. Some guess that China will be as strong as the United States in the coming decade, some bet that in 20 years and some predict its rise in year 2040.⁴¹ In spite of those disagreements among scholars, the forecasts were all based on the speed at which China's total power has been growing in recent years, without any consideration of the influences of the other powers' growth. As we are aware that China's power status is related to that of the other states, when forecasting China's future power status, we should not only take account of the speed of China's power growth but also the growth of the other states' power. To foresee the future change of China's power status, we should clarify the conditions for ascent and descent of international power status.

Conditions for Ascent and Descent of Power Status

As a state's power status is determined by quantitative comparisons of powers among states, the change in power status of a state depends on the difference in power growth rates between two states in a given period of time. Based on the afore-mentioned formula of a state's power status, the expression for the change of a state's power status should be

⁴⁰ Policy Studies Division, Ministry of Foreign Affairs of the People's Republic of China, *Zhongguo Waijiao 2002 Nian Ban (China Diplomacy 2002)*, (Beijing: Shijie Zhishi Press, 2002), p.378.

⁴¹ 'Jueding Xing De Kaoyan' ('The Critical Test'), *Liberation* (France), December 9, 2004, quote from 'Zhongguo Jueqi Daluanle Shijie Paixu' ('The Rise of China Brought Disorder to World Ranking System'), *Cankao Xiaoxi (Reference)*, December 11, 2004; 'Zhongya: Zhongguo Yingxiangli Rizeng' ('Central Asia: Increasing Impact of China'), Meiguo Ouya Xinwenwang (US News Network for Europe and Asia), November 24, 2004; Markers J., 'Zhongguo Zai Jueqi: Zuohao Zhunbei Yingjie Zhongguo Shiji' ('A Rising China: Be Prepared for a Century of China'), *Global Post* (Canada) October 23, 2004, via *Huangqi Shibao (Global Times)*, January 5, 2005, p.9.

$Sc = A(1 + Ra)/B(1 + Rb) - A/B$, (here Sc refers to the result of a change in power status of two states A and B ; where A and B indicate the original power for State A and State B respectively; while Ra and Rb indicate the actual growth rates of the two states, respectively). The expression shows that the change of a state's power status depends entirely upon the power growth rates (Ra and Rb) of the two states over a certain period of time. That is, the state with a faster power growth rate will rise, and the other will fall, and the statuses remain unchanged if the growth rates of the two state powers are the same. Over a fixed time period, the difference in power growth rates for the two states may result in three possibilities for change of a state's power status: rising, falling or unchanged. The three scenarios may result from 13 different situations, in which there are five for ascent, five for descent and three for no change.⁴²

It will be a political issue if a state is able to rise to a superpower in a few decades, but only an historical issue if a state rises to a hegemon over hundreds of years. As the atrophy of a state's power is a significant factor for the rapid rise of other states' power statuses, it creates an important scenario for a shift of power between two states. Therefore, power atrophy is an important political issue deserving more attention than power growth. A state's power increases in most years, decreases occasionally and very rarely has zero growth. Thus, the probability of the 10 scenarios of power-status change varies. Often both states enjoy positive power growth simultaneously; it is less common for one state to have a positive power growth while the other has a negative one; it is rare for both states to have negative power growth and is even less common that one state incurs zero power growth. When two states simultaneously have positive or negative power growth, it takes a longer time for their power gap to change and their power statuses to shift, and the probability of power-status shift is small. If one of the two states incurs zero power growth, their power gap will change relatively rapidly and there will be a higher probability for their power status to shift. However, the fastest change in the two states' power gap or their power statuses will occur when the two states have opposite power growths, i.e. one state's power increases and the other's decreases ($Ra > 0 > Rb$ or $Ra < 0 < Rb$). Because national power grows in most years and opposite power growths of two states tend to shift power statuses easily, the factors leading to power atrophy are more significant than the factors enhancing national power in terms of changing the power gap and power status between states.

⁴² There will be five situations when $Sc > 0$, they are: $Ra > Rb > 0$, $0 > Ra > Rb$, $Ra = 0 > Rb$, $Ra > 0 = Rb$, $Ra > 0 > Rb$; and also five situations when $Sc < 0$ and they are: $Rb > Ra > 0$, $0 > Rb > Ra$, $Ra = 0 < Rb$, $Ra < 0 = Rb$, $Ra < 0 < Rb$.

Political turbulence can cause a state's comprehensive power to diminish severely and rapidly, and it alters a state's power status at a faster rate than does economic development. Being defeated in a war, state disintegration, civil war, social turmoil and political movements all work effectively in shifting power status. The shift of power status between China and the Soviet Union after the Cold War serves as a typical example. In 1991, prior to collapse, the Soviet Union was the only competing superpower in the world rivalling the United States, and its power status drastically differed from that of China. However, as the succeeding state of the former Soviet Union after its collapse, Russia's comprehensive power endured a drastic fall and as a result its geographical area was reduced by about 24%, its population reduced by 48%, its economy decreased by 11%, and the size of its military was cut by 33.7%.⁴³ At that time Russian comprehensive power was still greater than China's, however, its power status fell into the same class that China belonged to. The power gap between them was only in degree and no longer in character. Thereafter, Russia's economy declined for years, its military capability was severely weakened, and its political power was diminished internationally. Even though it is hard for us to figure out in which specific year the power-status shift occurred, we are quite certain that China's comprehensive power surpassed that of Russia during the 1990s. Up to 1999, sustaining only military superiority over China, Russia fell far behind China in aspects of political power and economic power. In 1999, Russia's GDP accounted for only one-fourth or one-third of China's GDP of \$1 trillion.⁴⁴

Economic crisis can cause a nation's power to decrease rapidly and it works as a faster agent than economic development in changing the power gap or power status between two states. The East Asian Financial Crisis during 1997–98 widened the power gap between China and the Southeast Asian countries and meanwhile reduced the disparity of economic power between China and Japan. The East Asian Financial Crisis decreased China's annual economic growth rate to 7% from 9% prior to the crisis while it caused negative and zero economic growth, respectively, for Indonesia and Japan.⁴⁵ Indonesian GDP fell to \$50 billion in 1998 from \$190.3 billion in 1995 (in 1998 its currency exchange rate fell to US\$1:IDR7500 from \$1:IDR2321 in 1996) and it recovered to \$208.3 billion in 2003, with only a 9.5% increase from its GDP in 1995.⁴⁶

⁴³ *Shijie Zhishi Nianjian 1992/1993 (Year Book 1992/1993: World Affairs)*, (Beijing: Shijie Zhishi Press, 1992), pp. 576–80.

⁴⁴ *Shijie Zhishi Nianjian 2000/2001 (Year Book 2000/2001: World Affairs)*, (Beijing: Shijie Zhishi Press, 2000), pp. 17, 641.

⁴⁵ *Zhongguo Tongji Zhaiyao 2003 (2003 China Statistics Excepts)* (Beijing: Zhongguo Tongji Press, 2003), p.22.

⁴⁶ *Shijie Zhishi Nianjian 1997/1998 (Year Book 1997/1998: World Affairs)*, (Beijing: Shijie Zhishi Press, 1998), p.236; *Shijie Zhishi Nianjian 1999/2000 (Year Book 1999/2000: World Affairs)* (Beijing: Shijie Zhishi Press, 1999), p.277; see World Bank Statistics and Data, <http://www.worldbank.org/data/databytopics/GDP.pdf>.

In that period, Japan's GDP reduced from \$5083.1 billion in 1995 to \$4326.4 billion in 2003, a total reduction of 15%.⁴⁷ During the same period, China's GDP (by currency exchange rate) doubled from \$704.1 billion in 1995 to \$1409.9 billion in 2003.⁴⁸ Therefore, in the eight years from 1995 to 2003, the economic gap between Indonesia and China had been widened from 3.7 times to 6.8 times, while the economic gap between China and Japan narrowed from 7.2 to 3.0 times. In terms of PPP, China's economy even surpassed Japan's, causing a shift in their economic power rankings (Table 2).

Political Factors Determining the Fluctuation of China's Power Status

According to the principle that opposite power growths among states tend to change power status between states easily, we come to realize that in 10 years (by 2015) whether China can sustain the existing power status will be determined mainly by the likelihood of political crisis that may cause China's power status to descend. Since its foundation in 1949, China's power status has undergone a spell of four rising and three falling periods. During 1950–58 China's power status had been rising. During that period, the Korean War tremendously raised both China's military power status and her domestic and international capabilities of political mobilization. Between 1952 and 1958, China's GDP increased by as much as 1.9 times.⁴⁹ During 1959–63 China's comprehensive power atrophied severely. The Anti-Rightwing Movement led the Chinese government to adopt the policies of 'Great Leap' and 'People's Commune', which resulted in an overall economic crisis. It was not until 1964 that China's economy recovered to the same level of 1960.⁵⁰ In 1959, Sino-Soviet relations began to deteriorate and China was facing joint pressures from both the United States and the Soviet Union. During 1964 and 1965, China's national power enjoyed a brief rising period but fell again during 1966–76. In May 1966, the Cultural Revolution occurred and the country was immersed in turbulence and chaos when the government's ability to maintain order was severely hampered, economic activities stagnated, and the military weakened. However, in the same period of time, many Asian states such as Japan, South Korea and Singapore had industrialized their countries and their power status was rising rapidly in relation to China's. From 1978 to 1988 was a period when China restored its social order, increased its domestic mobilization capability and normalized relations with the United States and

⁴⁷ *Shijie Zhishi Nianjian 1996/1997 (Year Book 1996/1997: World Affairs)*, (Beijing: Shijie Zhishi Press, 1997), p.141; see the World Bank Statistics and Data, <http://www.worldbank.org/data/databytopics/GDP.pdf>.

⁴⁸ *Year Book 1996/1997: World Affairs*, p.32.

⁴⁹ *Zhongguo Guojia Tongjiju Tongji Ziliao* (Statistics of Statistics Bureau of the People's Republic of China), <http://210723226/yearbook2001/2002/c0301c.htm>.

⁵⁰ *Ibid.*

the Soviet Union. Consequently, China had again enhanced its international political capability, and its economy sustained an average annual growth as high as 10.2%.⁵¹ The political events of 1989–93 slowed China's economic growth, and dramatically reduced its domestic and international political mobilization capabilities. Thus, China's power status fell as her political power diminished in such a drastic manner. From 1993 to 2004 was the third period when China's power status ascended. During this interval, China gradually emerged from the international isolation which had started in 1989 and its capabilities of domestic and international mobilization once again increased. During 1993–2004, China's economy sustained an annual growth of 9.2% and the 1997 East Asian Financial Crisis accelerated the ascendance of China's economic power status.⁵² Ever since the founding of the People's Republic of China, each of the three major descents of China's power status was traced back to a political crisis rather than wars or economic difficulties. Therefore, we can believe that as long as there is no future political crisis, China will be able to avoid a fall in its power status.

Based on the principle that national power usually sustains growth in the majority of years, the author argues that the major external elements affecting the speed of rise of China's power status will be: (1) US military commitments and an increase or decrease of its international mobilization capabilities, and (2) the pace of political integration of the European Union (EU). According to the current growth of the comprehensive strengths of major powers, the author assumes that no other single nation, except the United States, could have larger comprehensive power than China in the next 10 years. Although each individual European state has smaller comprehensive power than China, the EU as a unified power will have a superior status to China's. If the political integration of the EU results in an international player with national character in the next 10 years, our references for judging China's future power status should include both the United States and the EU. Some people suppose that China's future power status would fundamentally depend upon China's economic growth.⁵³ They obviously have neglected the political and military powers of the United States and the EU. China possesses a huge supply of low-paid labour, therefore in the next 10 years China's economic growth will be faster than that of the United States and the EU. It is also quite possible for China to narrow its economic gap with the United States and the EU. Nevertheless, there is uncertainty with regard to the development of the military and political powers of China, the United States and the EU in next 10 years.

⁵¹ 2003 *China Statistics Excerpts*, p.22.

⁵² *Ibid.*

⁵³ Li Bin, '2020 Nian Zhongguo Zonghe Shili Jishen Shijie Sanqiang' ('2020 China's Comprehensive Power Debuts the World Three Greatest'), *Liaowang Xinwen Zhoukan* (*Outlook Weekly*), September 27, 2004, p.18.

In 10 years from now, China may narrow its military gap with the EU but the change of its military gap with the United States will depend on its military containment against Taiwanese secessionists. A favourable security environment will constrain the EU from large military expenditure. Therefore, in the next 10 years, China's military strength will grow faster than that of the EU and will reduce the military gap between the two. Nevertheless, the change of military disparity between China and the United States will be determined by the rates of military investment of the two sides. As a result of the pro-independence group introducing a timetable for Taiwan to achieve legitimate independence by 2008, the Chinese government will inevitably enhance its military capability to contain Taiwanese secessionists. If the Chinese government was to launch a military attack against Taiwan's independence, it would be possible for China to narrow its military gap with the United States. If the United States continues to wage wars against smaller states while China has no need to attack Taiwanese secessionists militarily, the US military budget will increase faster than that of China's, thus the military power gap between China and the United States would be enlarged.

In the coming decade, China will probably reduce the disparity of its political power with that of the United States, but in the meantime her advantageous political power with relevance to the EU may diminish. In the 1990s, global democratization and marketization increased the US international mobilization capability to a historical peak. With little resistance from the UN Security Council, the United States obtained UN authorizations on waging the Gulf War in 1991, the Somali War in 1996, the war in Kosovo in 1999 as well as the war in Afghanistan in 2001. Many countries provided military and economic support to the United States during these wars. However, the United States current unilateral policy caused its international political mobilizing capability to fall sharply from 2003. Without any UN authorization, the United States waged war in Iraq under the excuse of alleged Iraqi possession of weapons of mass destruction. The US action encountered strenuous objections from many traditional European allies, headed by France and Germany.⁵⁴ As no weapons of mass destruction have been discovered in Iraq, US international influence has been seriously weakened. In the next 10 years, hegemonic position will drive the United States to continue its unilateralist foreign policy. Meanwhile, China will maintain its multilateral diplomacy to harmonize relationships with her neighbours, the EU and the developing countries of other regions. Their opposite foreign policies will reduce the political power disparity between China and the United States. Presently, China has greater political power than the EU because China is a single state while the EU is a regional

⁵⁴ Cai Fangbai, 'Ou Mei Maodun Jiqi Fazhan Qushi' ('The US-Europe Conflict and its Trend'), *Guoji Wenti Yanjiu* (International Studies), No. 6, 2003, pp. 17-9.

organization with inconsistent foreign policies adopted by its member states. In 1999, the EU introduced the Euro which entered circulation in 2002 and finally established a single currency system on the EU market.⁵⁵ In the year 2004, the political leaders of EU member states signed the European Constitution laying a legislative foundation for the EU to become a single state entity.⁵⁶ If the EU constitution is approved by its member states, it will establish its own three-in-one entity of administrative institutions including a council, a committee and a foreign ministry. Future political integration of the EU will enhance its character as a large national state, which may help it to narrow its political power disparity with China.

Based on the above analysis, if we assume that both the United States and the EU act as single states, the comprehensive national power gap between either China and the United States or the EU and China will probably be narrowed by the year 2015. China's comprehensive power status may rank third in the world. In 10 years and beyond, it may be possible for China to reduce its economic power disparity with the United States and the EU even though its economic power may still be smaller than theirs. China will narrow its military power gap with the EU but its overall military strength will still be weaker than that of the United States or the EU. In terms of political power, China will narrow the gap but still cannot catch up with the United States. China may maintain her political power superiority over the EU but the disparity between the two may be reduced by further political integration of the EU if all its member states ratify the EU Constitution before 2015.

In the third section of this article, we have discussed why China enjoys the leading power status among the major powers with the exception of the United States. Based on the principle that a nation's power status ascends in accordance with a faster growth rate, we may presume that China will strengthen its power superiority over Japan, Russia and India within the next 10 years. If the EU becomes a single state entity by 2015, Britain, France and Germany will no longer be regarded as individual international players. Thus, we only assess here the power status between China and three other states: Japan, Russia and India.

With regards to economic power, low-cost labour and a rapidly expanding domestic market will ensure China a faster economic growth than Japan and Russia in the next 10 years. According to World Bank data based on PPP calculations, Japan, Russia and China have GDP per capita in 2001 of \$26,940, \$8230 and \$4580, respectively.⁵⁷ This indicates that China's labour

⁵⁵ *Year Book 2002/2003: World Affairs*, p.1195.

⁵⁶ Shi Kedong, "'Da Ouzhou" Maichu Yidabu' ('Big Europe' Takes a Gigantic Step'), *Renmin Ribao (People's Daily)*, October 30, 2004, p.3.

⁵⁷ The United Nations Development Programme, *2004 Nian Renlei Fazhan Baogao (Human Development Report 2004 – Cultural Liberty in Today's Diverse World)*, (Beijing: Zhongguo Caijing Press, 2004), pp. 139–40.

wage level was less than 18% of Japan's and 56% of Russia's. Low-cost labour guarantees foreign investors long-term high profits in China. At the end of 2005, China adopted a floating exchange rate according to World Trade Organization regulations and the Renminbi (RMB) will appreciate continuously over the next 10 years. The increase in RMB exchange rate will make China's economic growth appear even faster. Although it enjoys the same advantage of low-cost labour as China, India is far behind China in aspects of opening-up to foreign investment as well as other economic reforms. Therefore, the Indian economy will continue to grow at a slower pace than that of China.

In terms of military power, it is anticipated over the next decade none of the three states, namely Japan, Russia and India, will be involved in military conflict with the United States. Therefore, the military spending of these states will increase slower than China's. Even though India and Russia are both faced with the threat of separatism in Kashmir and Chechnya, respectively, they do not face direct military protection of these separatists by the United States. As a result, the threat to Russia and India, from the separatists in these two regions, will not be comparable to that caused by the Taiwanese secessionists. Japan is under US military protection, hence its military investment will not increase as fast as that of China. The Japanese government has decided to reduce its 2005–09 military expenditures to \$233 billion, i.e. 3.7% less than its average annual military spending in the previous five years.⁵⁸ As a result of the danger of Taiwanese independence, China is faced with potential military clashes with the United States in the Taiwan Strait. China's military spending in the next 10 years will increase much faster than that of Japan, Russia and India. This will in turn reduce the military disparity between China and Russia and at the same time make its military superior to Japan and India.

In terms of political power, China's endeavours in East Asian regionalization will effectively enhance its ability for political mobilization over the next 10 years. China will have the opportunity to further improve its relations with the EU and that will strengthen China's influence on global affairs. India, Russia and Japan, however, will have few chances to further enhance political influence in their own regions. Although India has already been a leading nation in South Asia, the South Asian regionalization has much less momentum than the East Asian. The Eastern expansion of the EU is constraining Russian political influence in East Europe and the former Soviet Republics. To sustain its special relationship with the United States, Japan has adopted a policy undermining the establishment of the

⁵⁸ 'Japan's New Military Focus: Threats of China and North Korea', *New York Times*, December 11, 2004, quote from 'Ribei Junshi Maotou Zhizhi Zhong Chao' ('China and Korea: Direct Military Targets of Japan'), *Cankao Xiaoxi (References)*, December 14, 2004, p.1.

East Asian Community. This policy is similar to that adopted by Great Britain with regard to the EU. Japan's policy against East Asian regionalization may ultimately weaken its political influence in East Asia. In terms of global affairs, both India and Japan may have the opportunity to become permanent members of the UN Security Council but they will have little chance of obtaining the power of veto. What they actually obtain may only be a position of permanent/non-permanent membership without substantially increased power. Russian political impact on global affairs will further diminish as it is still trapped in a regressive inertia following the collapse of the Soviet Union.

Conclusion

Taking nations as basic comparison units, the status of China's comprehensive power already ranks second in the world, but it remains at the second echelon compared to the US superpower status. Whether China's comprehensive power ranks second in the world has been an issue of debate for years. Disagreements on the connotation of comprehensive power have prevented consensus on the issue. No matter the political motivations, those who emphasize the comprehensiveness of national power tend to view military and political power as more important or at least not less important than economic power to a nation's comprehensive power. Therefore, according to their assessment, China's power status is second in the world. Nevertheless, those scholars who emphasize economic power as the paramount component of comprehensive power use exchange rate to calculate GDP, so in their assessment China's comprehensive power status is sixth in the world. This status is always consistent with China's GDP status by exchange rate. After the Cold War, those who lay stress upon economic power over military and political powers cannot accept the assessment of China as the second world power when there is still a large economic gap between China and the United States. 'Power status' connotes two meanings, that of 'power disparity' and 'power rank'. Two nations with a small power disparity between them, such as the United States and the Soviet Union during the Cold War, can be ranked the first and the second in terms of power status. Two states with a large power disparity can also be ranked first and second if there is no state with a power status between theirs. This is the case with the United States and China in the early 21st century. The current power disparity between the United States and China has a different character from that between the United States and the Soviet Union during the Cold War. The former is a class difference between a superpower and major power, while the latter is a degree difference within the same class, i.e. between two superpowers.

The key element in preventing China's power status from descending lies in avoiding critical political errors. After studying the conditions for change of power status, we understand that the atrophy of one state's power is the most critical condition for the change of power disparity or power status between two states. Although a state's power usually grows in most years and withers only occasionally, the annual pace of growth is usually slower than that of a sudden economic recession. Therefore, shifts of national power status can be best defined as a competition for less shrinkage rather than a competition for growth. In other words, it is not a competition for faster power growth but less power atrophy. The collapse of the Soviet Union in 1991 and China's Culture Revolution in 1996 both caused serious falls in the national powers of these two countries. These two historical examples proved that critical negative political events are fundamental factors for the atrophy of a nation's comprehensive power. Political disasters are usually caused by erroneous political decisions. In the 1980s, Gorbachev's 'New Thinking' led to the collapse of the Soviet Union. In the late 1950s, China's Anti-Rightwing Movement led to the Great Leap Forward Campaign which brought China to economic disaster. In the 1960s, anti-revisionist struggle brought China the chaos of the Cultural Revolution. In contrast with those political errors, correct political decisions can contribute to a relatively rapid ascent of national power status. Both China's engagement in the Korean War against the United States in 1950–53 and its economic reform and opening-up policy from 1978 have accelerated the ascent of China's power status. Since critical political decisions determine the rise and fall of national power status, the rivalry for international status among major powers actually becomes a competition for zero or less erroneous political decisions. Thus the key factor for China to maintain or increase its international status is to avoid vital political mistakes. The historical lessons of the People's Republic of China illustrate that to prohibit nationwide political movements is an effective way to constrain vital political mistakes from damaging a state's comprehensive power too much, and to avoid the dramatic decline of a nation's comprehensive power or power status.

In 2015, China's power status could possibly reach the level of a semi-superpower and rank second in the world. However, if the EU becomes a unified polity, China's power status might fall down to third. In the decade to come, the change of China's power status will mainly depend on domestic and international political factors. Domestic factors include the possibility of vital political errors and the international factors are a change of the status in the US and the pace of EU political integration. During the next 10 years, its superpower position will drive the US foreign policy on unilateralist track, meanwhile both China and the EU will continue their foreign policies along multilateralism. The unilateralism of the United States

may possibly weaken its international mobilization capability while China's may increase. Over the same period of time, China's economic power will grow faster than that of the United States. China's fast growth in political and economic power will dramatically narrow its power gap with the United States. China will also enhance her superiority over Japan, Russia and India in terms of comprehensive power. Thus China will enjoy the status of a semi-superpower between the United States and other major powers. The increase of China's comprehensive power does not necessarily mean it will maintain the rank of the second largest power, if greater political integration turns the EU into a state entity by 2015. China and the EU may have the same semi-superpower status at that time. In that event, China's rank may fall from second to third, i.e. behind that of the United States and the EU.

The assessment of China's power status in the future can be applied as a reference to set up a long-term strategic goal, but cannot be used as a basis for judging the long-term trends in the international environment that China will be faced with. Ever since 2002, many Chinese scholars have argued that the first two decades of the 21st century would be a strategic opportunity for China. The author assumes that the prediction of international trends for the next 20 years will be very unreliable. The assessment of China's power status in the next two decades can only depict the possible power status that China may achieve, but it cannot foretell the change in the international environment that China will be faced with. In 1987, the 13th Chinese Communist Party Congress put forward a strategic development goal to make China's GDP reach the level of a medium developed country by the mid-21st century.⁵⁹ When the goal was developed, no one had foreseen the occurrence of political events in China in 1989, the collapse of the Soviet Union in 1991, the end of the Cold War and their impacts on the change of China's international environment. Today, if we rely on the forecasting results of China's power status by 2020 to predict the tendency of international situations in the next 15 years, we will probably underestimate the impact of the 'Taiwan Independence' movement on China's security, which may hinder the necessary military buildup that China needs.

Based on the above analyses of China's power status, the author comes to the conclusion that China's power status is starting an essential and characteristic change. During this transition, in order to best safeguard its national interests, China should adjust her foreign policies and strategies accordingly. China's power is already large enough to disturb international political stability by shifting its strategic stance. Regardless of whether China becomes a military ally or deadly rival of the United States, a shift of political stance will inevitably destabilize the existing international order.

⁵⁹ Division of Archive Studies, Central Committee of China Communist Party ed., *Shisanda Yilai Zhongyao Wenxian Xuanbian (Important Archive Excerpts Since the 13th Chinese Communist Party Congress)*, (Beijing: People Press, 1991), p.16.

If China focuses on East Asian regionalization, it may shape the international configuration in favour of its rise. If East Asian regionalization achieves substantial progress, Japan, currently reluctant to accept the rise of China, will be forced to change its confrontational policy with China. Japan may follow the example of Great Britain in choosing to participate only partially in this regionalization and may adopt a cooperative attitude towards China. The change of China's power status in the early 21st century signifies the necessity for China to adopt active policies to protect its rapidly expanded national interests. Active policies will make it possible for China to rise in decades instead of centuries.