



## Soft Power Politics in the Asia Pacific: Chinese and Japanese Quests for Regional Leadership

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H. H. Michael Hsiao and Alan Yang

Regional leadership matters. It can facilitate cooperation among states and bring about a prosperous common future. Nevertheless, the struggle for leadership may lead to serious rivalry and regional instability. In East Asia, the quest for leadership has been controversial. Northeast Asian powers such as China, Japan and Korea have long been regarded as potential leaders striving to secure national interests by expanding their influence over their southeast neighbors. However, in the Asian financial crisis of 1997 none of these countries was able to play a dominant role, resulting in a "leadership deficit." [1] To some extent, the Asian financial crisis did witness a new architecture of collective leadership in East Asia. "ASEAN Plus Three" (APT), inclusive of ten ASEAN member states in addition to China, Japan, and Korea, convened in Kuala Lumpur in late 1997, pointed toward a model of co-governance among regional powers. Based on this framework, the Chiang Mai Initiative (CMI) and Asian Bond Market Initiative (ABMI) resulted in successful responses to the financial catastrophe. Ten years after its inaugural summit, APT cooperation has become the most effective track for regional cooperation.



ASEAN + 3

APT has taken on new meaning for several reasons. APT both introduces extra-regional input to the ASEAN region, and brings political endorsement of Northeast neighbors to ASEAN cooperation. For China, Japan and Korea, on the other hand, APT provides a formal, institutionalized platform for dialogue on regional issues. This APT process may ease tensions among regional powers and contribute to the peace and stability of East Asia. More important, there is a burgeoning demand for a "soft agenda" in APT cooperation. In 2007, for example, leaders of APT proposed a ten-year work plan (2007-2017) highlighting increased dialogue and collaboration in economic/financial, environmental/sustainable development, social/cultural, and energy issues [2]. For Northeast Asian powers, cooperation on these issues is a priority. For example, South Korea, a formal dialogue partner with ASEAN since 1991, had worked on more than one hundred cooperative projects with ASEAN states. Most ASEAN states, such as Indonesia, Vietnam, Cambodia, Myanmar, and Philippine have been recipients of Seoul's foreign aid. Cooperative projects can promote ASEAN-Korea relations while foreign aid can facilitate local economic infrastructure and labor training. Both Japan and China have been more cautious in soft power diplomacy towards ASEAN states. For all three, soft power opens new approaches to regional leadership. This article shows how soft power works in the competition for leadership in East Asia, mapping different soft power strategies toward ASEAN on the part of China and Japan.

### China's Soft Power Strategies toward Southeast Asia

China has been more practical in making strategic arrangements with partners and more flexible in attracting international supporters [3]. New policy initiatives such as "smile diplomacy" (weixiao wajiao), "public diplomacy" (gonggong wajiao), and "good neighbor diplomacy" (mulin wajiao) have been instrumental in Beijing's pursuit of a benign hegemony. These initiatives have one thing in common: a sophisticated use of soft power resources.

Soft power is an art of persuasion—and Chinese wielding of soft power has expanded its Western definition as well as extended its scope. Since the 1990s, China has strengthened its relations with ASEAN states in fields of foreign aid, trade, finance, infrastructure, business, labor, environment, and development as well as tourism. China's soft power diplomacy is intricate and comprehensive. It operates at four levels: first, establish firm political and fiscal connections with Southeast Asian governments through assistance aid; second, explore a comprehensive cooperative framework through FTA-plus development plans; third, enhance cultural attractiveness and promote pro-China understanding among ASEAN states by means of quasi-governmental projects; and fourth, less often noted, expand the influence of the private sector and its relations with Chinese overseas and local business networks in Southeast Asia. Among these, foreign aid, comprehensive economic

networking and cultural transmission as state-initiated prongs form the core of its soft power resources.

### **A Reliable Partner or Laissez-Faire Politics?**

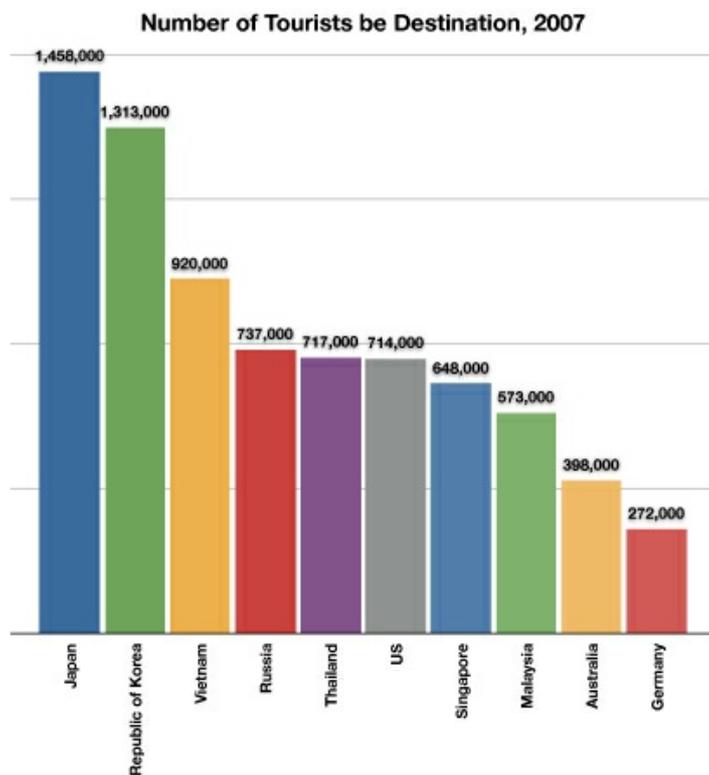
That China has transformed from a development aid recipient to a bilateral donor is a recent accomplishment for this nation of 1.3 billion. According to Chinese official statistics, its annual aid amounts to \$970 million, but the real figure is probably higher [4]. In Southeast Asia, Chinese foreign aid has surpassed that of the United States. For example, in 2002, China's aid to Indonesia was double that of U.S. aid. In 2006, China provided four times more aid to the Philippines than the United States while the amount to Laos was three times that of the U.S. [5]. Most of the aid contributes to local infrastructure and capacity-building programs. Beijing provided over \$10 million to the government of Burma to assist regional reconstruction in cyclone Nargis-devastated areas in 2008 [6]. Through foreign aid, China has set itself up as a reliable supporter for its Southeast Asian neighbors. On the other hand, this government aid has facilitated the expansions of Chinese state-owned-enterprises (SOEs) in Southeast Asia, such as the exploration of Indonesian natural gas reserves, investment in infrastructure in the Philippines, and the establishment of transportation links through Cambodia, Thailand to Singapore [7]. These projects, based on Beijing's guideline of "going out," seem to align with local economic and developmental needs, but the underlying logic serves Chinese geo-political and geo-economic goals.

### **Opportunities for Co-prosperity and Co-development or Economic Mercantilism?**

Comprehensive economic networking is another Chinese soft power resource since the substance of China-ASEAN relations is mainly based on trade. ASEAN states regard China not only as an engine for economic grouping but a potential market with business opportunities. Therefore, China leverages its comparative advantage by employing economic diplomacy with soft power resources to formulate a multilateral framework based on free-trade agreements. Beijing attempts to chart a win-win partnership based on the China-ASEAN Free Trade Area (CAFTA) for the purpose of easing regional anxieties about the intensified competition for export markets (i.e. high-value manufacturing goods) [8], and foreign direct investments (FDI). In 2007, the GDP of the China-ASEAN FTA exceeded \$2 trillion while its total trade was amounted to more than \$200 billion. According to China's official statistics, from January to September 2008, trade between China and ASEAN was \$180 billion, an increase of 23 percent over last year [9]. These large numbers are used by Beijing to demonstrate China's integral role in regional integration.

China's economic diplomacy toward ASEAN is sophisticated. It encompasses business investment, tourism and new integral development initiatives. Regarding the business realm, to expand Chinese business network corresponds to Beijing's economic and strategic interests in Southeast Asia. In October 2008, China held the 5th China-ASEAN Expo and China-ASEAN Business & Investment Summit, inviting 1,154 ASEAN-based companies to participate in the exhibition, signing 1,372 investment agreements, and attracting a turnover of \$1.6 billion. Meanwhile, people-to-people interactions among young leaders and business elites from ASEAN and China are paralleled with 16 forums and meetings [10]. Strategically, this annual China-ASEAN Expo promotes various business links with an eye to helping Chinese SOEs and small and medium enterprises (SMEs) invest in and cooperate with Southeast Asian business communities. This expo and other similar initiatives backed up by the PRC government are important for Beijing's soft power diplomacy. That is, by linking with local business in Southeast Asia, these efforts have drawn attention from ASEAN states, promoting China as a window of commercial opportunities and expanding Beijing's sphere of economic influence in ASEAN markets.

Promoting tourism is another way to bolster Chinese soft power. In the 1980s, only tens of thousands of Chinese (per year) traveled to Southeast Asia. Fueled by rapid economic growth, there have been more than 15 million arrivals per year in the ASEAN region (especially in Thailand, Singapore and Malaysia) in the 2000s. The figure is increasing by 30 percent each year. In 2007, 3.4 million Chinese tourists visited ASEAN, surpassing the number of Japanese tourists [11]. Though some Chinese tourists create bad images [12], for ASEAN, the travelers provide important income sources. Moreover, a flourishing tourist industry will provide a sound basis for ongoing projects such as the Open Sky Initiative, ASEAN Common Area, and ASEAN Cruise Tourism. China's activism in tourism cooperation creates a situation of co-development while facilitating socio-economic interaction directly with Southeast Asian counterparts.



Chinese tourism by destination (2007)

Currently, several China-ASEAN cooperative programs are underway. For example, the ASEAN-China Center for Trade, Investment and Tourism Promotion—whose MoU is currently being negotiated—will be established in the near future [13]. This Center is expected to work to upgrade the quality and collaboration of tourism. Otherwise, initiatives of cultural and eco-tourism are emerging domains of further cooperation. In the Mekong River basin, for instance, China publicizes its cooperation with ASEAN states in the ADB-GMS-Xishuangbanna Biodiversity Conservation Corridors project. This project will connect 9 ecological zones scattered across the Indochinese Peninsula for the purpose of ensuring sustainable economic, cultural and environmental development. Beijing, having abundant economic and political resources, keeps reminding Indochinese states of its importance in shaping the eco-tour complex.

As bilateral relations progress and recession in the advanced economies deepens, ASEAN states will need greater Chinese engagement in their economic development. Take Singapore for instance. Singapore has worked on an “eco-city” project with China since 2007. This project aims to build a modern town in Tianjin based on the idea of ecological sustainability. This initiative represents an integral plan of economic, environmental and investment collaboration for both sides. For Singapore, this joint project will both gain considerable profit and consolidate its political partnership with China. For Beijing, the Singaporean experience in economic advance is of particular relevance to its investment in sub-regional economic zones. Increasing amount of similar proposals not only accounts for a closer relationship between China and ASEAN region, but also illustrates China’s practice of “economic first” approach, which integrates geo-economic strategy and domestic needs.

In 2008, the global financial crisis touched off, in part, by the U.S. subprime mortgage meltdown resulted in financial and market turmoil in Asia. Leaders from ASEAN states such as Cambodia, Laos, and the Philippines have called on China to invest more in ASEAN. Such appeals from ASEAN states signify that a rising China is regarded as a source of economic support. Whether Beijing can see this regional bloc through global financial tsunami is still in question, but the demands from ASEAN make clear that one cannot overlook the growing influence of China’s soft power in Southeast Asia.

### ***A New Cultural Center or Cultural Imperialism?***

For China, in particular, the core of soft power is the promotion of Chinese culture and language. Since 2004, China has built more than 295 “Confucius Institutes” in 78 countries. A total of 500 are projected before 2010. In Southeast Asia, there are 21 Confucius Institutes providing language courses, including 13 in Thailand and others in Indonesia, Malaysia, Burma (Myanmar), the Philippines, and Singapore [14]. These Institutes are sites for cultural transmission, intercultural exchange, and Chinese learning, conveying China’s soft power resources to its ASEAN neighbors.

To be specific, overseas Confucius Institutes have at least two purposes. One is educational. The Institutes function as Alliance Française, Goethe-Institute, British Council, Instituto Cervante, which mainly deal with language and culture learning. Although Beijing heralds that the Institute is a non-profit and non-governmental organization, its principle and its budget are guided and sponsored by “the Office of Chinese Language Council International” (Hanban) affiliated with the PRC’s Ministry of Education. Such an orientation naturally associates the institutes with the underlying strategic goals of the Chinese state [15].

Great powers both employ cultural commodities to exploit economic markets and to pursue ideological hegemony. Undoubtedly, the statement reminds us of U.S. foreign policy since the 1950s. The United States Information Agency (USIA). The USIA exerted influence on information sharing and made efforts to broaden dialogues between the States and the rest of the world. Moreover, it sponsored exchange programs such as the Fulbright Scholarship to inculcate overseas grantees with American culture and values.

Likewise the Confucius Institute also employs at least three kinds of soft power resources. First, the very notion of Confucius Institute is to nurture a worldwide cordial atmosphere conducive to Chinese learning. Language learning is associated with Chinese art, cinema, cuisine, fashion, and lifestyle. The pop culture itself may forge a pro-China ambience (i.e. the fervor extending from Chinese language learning to supporting the 2008 Beijing Olympic Games), and reinforce the influence of Chinese soft power. Second, the Institute also provides a “Chinese Bridge Fund,” sponsoring college student exchange program and supporting the research and development of overseas Chinese education. These funding programs and activities will intensify Beijing’s international cultural attractiveness and magnify the influence of its soft power at the grassroots level. Third, since 2004, China has dispatched more than 2000 volunteers and teachers to 35 countries to work on Chinese education abroad in such ASEAN states as Indonesia, Lao, Philippines, Singapore, Thailand and Vietnam [16]. These “civil diplomats” become vital human resources to wield cultural and social influence in the region.

Beijing has reiterated the politically neutral stance of the Confucius Institutes. However, political and ideological strings are evident in organizational governance, and relevant activities and publications. For example, the grantees of the “Chinese Bridge Fund” determined by the Hanban may reflect Beijing’s strategic considerations based on national interests. In addition, the disposition of 21 Confucius Institutes and hundreds of volunteers in Southeast Asia is also decided in accordance with cultural intimacy and political amity. China has made great efforts toward its neighbors in Southeast Asia to increase its cultural centrality in the region. It is plausible that the “China Fervor” intensified by Confucius Institutes and relevant projects will lay a foundation for the perception of a “benign China” and foster an even closer relationship between China and ASEAN states.



**Confucius Institutes worldwide**

### **Japan’s Soft Power Strategies toward Southeast Asia**

Japan was not enthusiastic about Southeast Asian affairs during the early Cold War era. Its formal tie with ASEAN began in 1977 when

Fukuda Takeo attended the 2nd ASEAN Summit in Kuala Lumpur. In the late 1980s and early 1990s, as China's economy showed remarkable growth, Japan recognized that the rise of China could weaken Japan's position in Southeast Asia. Steps toward an ASEAN-China FTA (concluded in 2004) prompted Tokyo's comprehensive strategic engagement with ASEAN. The "Tokyo Declaration" was signed by Japan and ASEAN in 2003. This declaration aimed at three things: the construction of a greater East Asia community, the realization of an ASEAN-Japan FTA before 2012, and stable official assistance of \$ 3 billion which will ensure a solid Japan-ASEAN relationship in development issues. The Declaration and the affiliated plan of action consolidated Japan-ASEAN relations by deepening their economic complementarities and socio-cultural affinities.

Relations with ASEAN are important for securing Tokyo's economic leadership in East Asia. Through ASEAN, Japan seeks to maintain its position as the regional economic power and seeks to expand its international political influence in the world. In order to pursue closer relations with ASEAN states, Japan has emphasized soft power diplomacy for a decade. Like China, foreign aid, economic networking and people-to-people contact via social/cultural exchanges are the core of Japan's soft power resources. Tokyo's economic and political contributions toward ASEAN institutionalization and integration have bettered its image among Southeast Asian nations and their people [17].



**ASEAN foreign ministers meeting, 2008**

#### ***A Trustworthy Foreign Aid Donor or Dependency Politics?***

Money talks. For any developing state affluence is the basis for improving local infrastructure. Most ASEAN states have long been recipients of Japan's ODA. Foreign aid, clearly, is poised to play a crucial role in regional and national development. In 1977, when Fukuda Takeo promised US\$1 billion in aid to ASEAN states, Japan became the most reliable supporter of Southeast Asia nations [18]. Tokyo's foreign aid strategy, ranging from bilateral, sub-regional, to regional assistance plans, successfully secured its political and economic interests in ASEAN states.

Japan-ASEAN aid can be traced back to the post-World War II era. Most of the ASEAN states were receiving Japan's bilateral aid as war reparations during the 1950s [19]. Afterward the content and scope of Japan's ODA towards ASEAN states expanded. Japan extended ODA to Cambodia, Lao, Myanmar, and Vietnam (the CLMV states) by cooperating with the Initiative for ASEAN Integration (IAI) since 2001. For example, helped Cambodia in 2008 to promote poverty reduction in rural area (330 million yen grant aid), to improve health and hospital facilities (1.39 billion yen grant aid) and to give a 3.7 billion yen loan to develop a coastal economic zone [20]. Besides Cambodia, Japan contributed a 1.57 billion yen grant aid to upgrade shipping security in the Malacca straits [21], and a 30.77 billion yen loan to help Indonesia tackle global climate change in 2008 [22].

At the sub-regional level, Japan has paid attention to the Mekong Basin since the Fukuda Doctrine of 1977, and has been active in the Mekong Basin development scheme since the 1990s [23]. From 1999 to 2003, Japan invested in 55 projects (115 billion yen in all), most of which were related to the improvement of transportation infrastructure, the advancement of a special economic zone, and the upgrading of human resource and higher education in the Mekong sub-region. The East-West Corridor project (Maulamyang-Mukdahan-Da Nang) and the 2nd East-West Corridor project (Ho Chi Minh City-Phnom Penh-Bangkok) are of particular concern to Tokyo [24]. From 1969 to 2005, Tokyo offered over US\$ 44.7 billion to all ASEAN states [25]. In 2005, Japan provided US\$ 62.5 million to the ASEAN Development Fund. In 2006, the Japan-ASEAN Integration Fund (JAIF) was set up with the financial support of US\$ 70 million from Japan [26].

As Japan's former Prime Minister Koizumi Junichiro said unswervingly, "we want to contribute to the betterment of livelihood in areas other than military...We should come up with the most effective assistance aimed at establishing sustainability; helping countries to survive, live on their own." [27] Koizumi's statement clearly presents one of the central philosophies of Japan's aid policy, "to support self-help efforts of developing countries." [28] Indeed, with the inflows of Japanese ODA, ASEAN states have successfully recovered from the 1997 financial crisis, got over the threats of avian flu, and bridged difficulties during natural catastrophes. Obviously, Japan's "philanthropism" in backing ASEAN is a tactic of soft power diplomacy. Tokyo's redemption of World War II reinforced by its renunciation of pursuit of the status of "military power" seeks to gain trusts from ASEAN states. Its aid-based networking effort, in addition, is aimed at forging a "dependency politics" of ASEAN-Japan relations. The structure of dependency politics marks Japan as not only a trustworthy partner, but also an indispensable support for ASEAN development. The presence of this "decent" bilateral relationship between Japan and ASEAN counterparts under girds Japan's quest for regional leadership in East Asia.

#### ***Promoting Common Interests or Balancing China's Rising Power?***

Another dimension of Japan's soft power strategy towards ASEAN is to strengthen common interests with ASEAN member states, particularly in economic and trade issues. According to recent statistics, ASEAN-Japan was valued at 1.8 trillion yen in 2006 [29]. In 2007, ASEAN was Tokyo's third largest trade partner while Japan is ASEAN's fourth largest export partner and second largest import partner [30]. Since the economic complementarity between ASEAN and Japan is distinctive, a regional FTA between Japan and ASEAN is desirable. The Joint Declaration of the Leaders of ASEAN and Japan on the Comprehensive Economic Partnership (CEP) in 2002 and the Framework for CEP between ASEAN and Japan in 2003 opened a new page in ASEAN-Japan cooperation. This ASEAN-Japan CEP (AJCEP) could lead to the realization of a Japan-ASEAN 6 FTA in 2012 with the inclusion of CLMV in 2017. After eleven rounds of negotiation, the AJCEP Agreement was signed and entered into force in late 2008. This Agreement projects an integrated market and greater economic incentives for both ASEAN and Japan.

An ASEAN-Japan FTA would enhance Japan's competitiveness in regional integration. The strategic meaning of ASEAN-Japan trade cooperation is to balance Chinese power in the region. Japan's balancing strategies are twofold. First, ASEAN-Japan economic cooperation will project an image of a receptive and cooperative Japan. As Rahul Sen and Sanchita Basu Das argued, a more receptive Japan could offer ASEAN unique opportunities to broach sensitive issues such as agriculture and services liberalization [31]. A free trade agreement, nevertheless, is only one part of ASEAN-Japan economic cooperation. A comprehensive scheme embodied in AJCEP Agreement, encompassing economic, scientific, technological and cultural cooperation, will provide greater incentives to ASEAN economies to embrace Japan-led regionalism.

Second, Japan's balancing strategy is to promote the idea and practice of an East Asian Community. Since 1997, the financial crisis sparked Japan's strong interests in East Asia cooperation [32]. East Asian Community seeks to consolidate ASEAN-Japan relations and enmesh China in regional settings. The rationale for this idea is to ensure the pivotal role of ASEAN in East Asian cooperation and reconcile Japan with Southeast Asian neighbors. A viable ASEAN, for Japan, can provide stable support for Tokyo's vision of East Asian community. Tokyo has long endorsed the institutionalization and internal integration of ASEAN by making efforts to narrow the gap between ASEAN-6 and CLMV states. In addition, Japan has highlighted the importance of ASEAN as the "driving force" of East Asia economic integration in many international forums such as APEC, ARF and the East Asia Summit (EAS). In short, Tokyo's "heart-to-heart diplomacy" not only markedly "lassoes" the support of ASEAN members and their people, but also seeks to deal with China's soft power moves.

### ***Strengthening Socio-Cultural Cooperation via Ideational Transmission?***

Socio-cultural cooperation is conducive to a sense of community which may forge closer ASEAN-Japan relations. Nevertheless, it reveals Tokyo's careful pursuit of regional leadership. One niche that Japan emphasizes is "ideational capacity" buttressed by economic advancement and technological innovation. As the Prime Minister Aso Taro has argued, Japan seeks to act as the "thought leader" in Asian countries [33]. Actually, Tokyo has been actively engaging in ideational transmission to its East Asian neighbors. At the regional level, Japan has initiated the idea of the Economic Research Institute for ASEAN and East Asia (ERIA) in 2007. This think-tank, supported by the Japanese government, seeks to provide intellectual and capacity building leadership to the construction of East Asian Community in general and to the future ASEAN Economic Community in particular [34].

Almost every Japanese prime minister in recent decades has publicized support for ASEAN or suggested exchange programs to ASEAN states [35]. For example, in 1977, the ASEAN Cultural Fund was designated by Fukuda Takeo to amplify intra-ASEAN cultural exchanges. Former Prime Minister Abe Shinzo announced in 2007 a program to invest US\$ 315 million in a 5-year youth exchange initiative, JENESYS (Japan-East Asia Network of Exchange for Students and Youths), to students from ASEAN and EAS member states to visit Japan [36]. In 2008, former Prime Minister Yasuo Fukuda proposed "the new Fukuda Doctrine," which promised to endorse ASEAN's single market initiative as well as the development of the Mekong Basin [37]. Social and cultural cooperation has become a cardinal theme in ASEAN-Japan relations and a new direction for Japanese ODA in the 1990s. On the one hand, Japan believes that investing in human capital rather than physical capital will help ODA recipient countries accelerate nation-building and economic development [38]. On the other hand, the advancement of human resources via educational, technical, and cultural programs offers a bottom-up model of nation-branding which is propitious for ASEAN-Japan relations.

With the efforts of domestic institutions such as the Japan International Cooperation Agency (JICA), Association for Overseas Technical Scholarships (AOTS), Japan Overseas Development Cooperation (JODC), financed by Japan Bank for International Cooperation (JBIC), Japan sought to work with ASEAN states in development issues such as energy, ICT industry, education, environment, infectious diseases, decreasing regional disparity, and community empowerment. Most of these projects, for example, the Japan-ASEAN Total Plan for Human Resource Development, will improve the institutional capacity of ASEAN governments to cope with socio-cultural challenges. Additionally, the positive and progressive image of Japan in Southeast Asia provides a sound basis for sustaining ASEAN-Japan relations. In a 2008 opinion poll on Japan's image in Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam, the result reveal amicable ASEAN-Japan relations. 93% of respondents agreed that Japan is a trustworthy friend for ASEAN countries; 96% of respondents approved that Japan is friendly to their country; and 92% of respondents had positive images of Japan's economic and technical contribution to their country [39]. These results demonstrate a warming attitude of ASEAN people to Japan and corroborate the efficacy of Tokyo's soft power diplomacy.

### **Conclusion**

The discussion above unveils the application of sophisticated Chinese and Japanese soft power diplomacy toward Southeast Asia. Soft power diplomacy advocates strategies of gaining appreciation, trust and friendship, rather than muscular dominance, in the management of image change. In this regard, China wants to prove itself no longer a large and poor communist state, but a rising economic driving force and a responsible stakeholder in East Asia. Japan, for its part, devotes itself to removing the image of enemy in WWII by carefully rebuilding relations with ASEAN states.

Beijing's non-military inducement to ASEAN states, encompassing comprehensive cooperation and collaboration between different sectors and policy areas, seems efficacious. By providing foreign aid, the Chinese government has maintained leadership in cooperating with Indonesia, the Philippines, and Laos. In addition to assistance aid, China's economic foreign policy with the help of the business community has promoted large scale economic and market integration with ASEAN which strengthens its importance in the region. What's more critical, Confucius Institutes and thousands of language teachers demonstrate Beijing's flexible cultural diplomacy of promoting Chinese social and cultural attractiveness. Carefully employing these soft power resources, China intends to further engage ASEAN and its members, develop more channels of communication with Southeast Asian people, and assiduously participate in various issue-areas of regional affairs without sacrificing its economic and political interests.

Likewise, Japan has formalized its relations with the ASEAN states. The underlying rationale of Tokyo's ASEAN policy has emphasized "soft power," instead of more traditional muscular approaches of engagement. The disbursement of foreign aid by Tokyo has benefited almost all members of ASEAN. In addition to financial assistance, Tokyo has further strengthened ties with ASEAN by establishing a comprehensive ASEAN-Japan partnership through economic/trade networks. Such initiatives, along with Tokyo's political support, have made Japan a trustworthy ally of ASEAN which may frustrates China's ambitions in East Asia. What is more critical is the "intellectual influence" exerted by Tokyo. This was built, and subsequently reinforced, by a series of socio-cultural exchanges and innovative regional proposals to the ASEAN states, securing Japan a leading role in the making of an East Asia community. In short, Japan's prudent cultivation of soft-power diplomacy has allowed her to link up, and act on behalf of, the ASEAN regional group to counter-balance China's rising power in the region. It has also guaranteed her strategic and economic interests in the quest for regional leadership.

"Soft power politics" is another form of struggle among big states. In this regard, patronized small states appear to be peripheral in the power structure. However, small states can still profit from soft power struggles among big states, and some may even be able to leverage their importance in the power game. The grouping of ASEAN states as a regional community, for instance, has already benefited from the Sino-

Japanese competition for regional leadership. The increasing emphasis placed by China and Japan on soft power diplomacy has resulted in an abundance of economic assistance and political support from both countries, contributing significantly to the acceleration of ASEAN regionalization in general and promoting the nation-building process of CLMV states in particular. In addition, an unintended consequence of China-Japan soft power politics is a secure position for ASEAN. Soft power matters, not only for great powers, but also for small states.

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