This book explores a very important topic in contemporary Chinese foreign policy and international strategy. It is a comprehensive study on the resources behind China’s soft power, the practice of soft power-based foreign policy and the implications for China’s rise and international politics for the coming decades.

The author argues that China has been conscious of, and to a large extent intends to pursue, a soft power strategy during its rise. This study concludes that China has achieved tremendous but unbalanced gains in its soft power diplomacy in the past three decades. The main hindrance of China’s soft power comes from Beijing’s outdated political values and some of the negative aspects in domestic governance. The author also contends that the future development of China’s soft power will be constrained by a number of major factors, such as historical disputes, authoritarian political institutions and the West-dominated international system. The author believes that two possible scenarios—massive domestic unrest and outright foreign intervention in Taiwan and Tibet—could reverse China’s pursuit of a soft power strategy.

This book attempts to make theoretical contributions to the study of soft power. In response to other scholars’ criticisms of Joseph S. Nye’s original conceptualization, the author explores the multidimensionality of soft power resources and attempts to provide a clear model to explain how state actors convert their potential soft power resources to desired policy outcomes. The author believes that soft power primarily works through international regimes and the attraction of soft power resources to various political actors in the other countries. Despite the author’s strenuous efforts in elucidating a clearer theoretical understanding of soft power, the usual puzzle remains: What really produces attraction?

The author basically follows Nye’s fundamental theoretical assumption that certain power resources, by their nature, produce attraction for soft power. These power resources include culture, political values, and the substance and style of foreign policy. This assumption may be problematic. For instance, the author discusses the many ways through which cultural power can be exercised coercively (60-61). It is also mentioned that Western culture and political values were regarded by Chinese ruling elite as a significant threat (26-27). On the other hand, in the real world, the so-called hard power resources, economic and military power, can also produce attraction, for instance American military power in the eyes of US allies. If culture can be used coercively and economic and military power can engender attraction, how can we assume that culture, values and foreign policy are the main soft power resources? In fact, in this book, much of the
discussion of China’s soft power influence in the global south is about China’s
economic activities and adroit foreign policy. The author also concedes that
even many aspects in China’s foreign policy, for instance human rights issues
and foreign propaganda, serve as constraining factors for the further growth
of Beijing’s soft power.

Despite this weakness in its theoretical approach, this book is
commendable for its conscious attention to theoretical clarity, particularly
given the fact that the term soft power has been used very loosely in many
other writings. The partial success in this study is evidence that more rigorous
theorization of soft power is still much needed and possible. The more
notable strength of the book rests with the empirical analysis of Beijing’s
practice of a soft power-based foreign policy. This book should be a useful
read for people who are interested in Chinese foreign policy and China’s
rising strategy in international politics. It is successful in proposing a soft
power perspective in watching and studying China’s rise.

S. Rajaratnam School of International Studies Nanyang
Technological University, Singapore

CHOOSE AND FOCUS: Japanese Business Strategies for the 21st
Century. By Ulrike Schaede. Ithaca (NY) and London: Cornell University
Press, 2008. ix, 291 pp. (Tables, graphs.) US$29.95, cloth. ISBN 978-0-8014-
4706-8.

Ulrike Schaede, in her insightful book, sets out to dispel what she regards
as the myth of a “lost decade” of Japanese business. She views the period of
1998-2006 as Japan’s strategic inflection point, a point in time (or a period
in this case) when industry dynamics were altered in irreversible ways, such
that newly emerging competitive environments force changes in the ways
of doing business.

Schaede argues that the triggers to the shifts in the Japanese business
environment were a banking crisis and recession, the deepening of
globalization, social crisis and emerging new political visions with regard to
the role of markets in the economy. She asserts that the banking reforms
of 1998 marked the tipping point for a regulatory reform process that
created a new strategic context for Japanese firms as well as a new industrial
architecture.

Schaede identifies the following as the core elements of the Japanese
business system that characterized “Old Japan” (that is, post-war Japan to
1998): business groups, a main bank system, internal processes of corporate
governance, subcontracting hierarchies, restricted distribution systems and
relational pricing as well as difficult entry of foreign competitors to the
Japanese economy. She shows how each of these elements has changed as