China and the Global Politics of Regionalization

Edited by Emilian Kavalski

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China and the Global Politics of Regionalization

Edited by
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<th>Abbreviation</th>
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<td>APEC</td>
<td>Asia–Pacific Economic Cooperation</td>
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<td>ARF</td>
<td>ASEAN Regional Forum</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>ASEM</td>
<td>Asia–Europe Meeting</td>
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<td>ASPA</td>
<td>American Service-Members’ Protection Act</td>
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<td>CAFTA</td>
<td>China–ASEAN Free Trade Area</td>
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<td>CARICOM</td>
<td>Caribbean Community</td>
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<td>CCP</td>
<td>Chinese Communist Party</td>
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<td>CIA</td>
<td>Central Intelligence Agency</td>
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<td>CIBERS</td>
<td>China–Brazil Earth Resource Satellites</td>
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<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<td>CMI</td>
<td>Chiang Mai Initiative</td>
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<td>CNPC</td>
<td>China National Petroleum Corporation</td>
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<td>COMESA</td>
<td>Common Market of Eastern and Southern Africa</td>
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<td>CSTO</td>
<td>Collective Security Treaty Organization</td>
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<td>DRC</td>
<td>Democratic Republic of Congo</td>
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<td>EAC</td>
<td>East Asian Community</td>
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<td>EAEC</td>
<td>Eurasian Economic Community</td>
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<td>East Asian Economic Grouping</td>
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<td>East Asian Summit</td>
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<td>EECOSA</td>
<td>Economic Community of West African States</td>
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<td>EEZ</td>
<td>Exclusive Economic Zone</td>
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<td>EU</td>
<td>European Union</td>
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<td>EUFOR</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FOCAC</td>
<td>Forum on China–Africa Cooperation</td>
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<td>FTA</td>
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<td>GCC</td>
<td>Gulf Cooperation Council</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>ICC</td>
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<td>International Energy Agency</td>
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<td>Iran–Libya Sanctions Act</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ITO</td>
<td>International Trade Organization</td>
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<td>LNG</td>
<td>liquefied natural gas</td>
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<td>Abbreviation</td>
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<tr>
<td>MOFTEC</td>
<td>Ministry of Foreign Trade and Economic Cooperation</td>
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<td>NATO</td>
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<td>NDRC</td>
<td>National Development Reform Commission</td>
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<td>NDUC</td>
<td>National Defence University of China</td>
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<td>NIEs</td>
<td>Newly Industrializing Economies</td>
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<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<td>OSCE</td>
<td>Organization for Security and Cooperation in Europe</td>
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<td>PIC</td>
<td>Pacific islands country</td>
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<td>PIF</td>
<td>Pacific Islands Forum</td>
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<td>PLA</td>
<td>People’s Liberation Army</td>
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<td>PNG</td>
<td>Papua New Guinea</td>
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<td>PNTR</td>
<td>permanent normalization of trade relations</td>
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<td>PPP</td>
<td>Power Purchasing Parity</td>
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<td>PRC</td>
<td>People’s Republic of China</td>
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<td>RATS</td>
<td>Regional Anti-Terrorist Structure</td>
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<td>SAARC</td>
<td>South Asian Association for Regional Cooperation</td>
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<td>SADC</td>
<td>Southern African Development Community</td>
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<td>SARS</td>
<td>Severe Acute Respiratory Syndrome</td>
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<td>SASAC</td>
<td>State-owned Assets Supervision and Administration Commission</td>
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<td>SCO</td>
<td>Shanghai Cooperation Organization</td>
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<td>SEZ</td>
<td>Special Economic Zone</td>
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<td>SIGINT</td>
<td>Signal Intelligence</td>
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<td>SPF</td>
<td>South Pacific Forum</td>
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<td>SPC</td>
<td>South Pacific Commission</td>
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<td>SPTO</td>
<td>South Pacific Tourism Organization</td>
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<td>TAC</td>
<td>Treaty of Amity and Cooperation in Southeast Asia</td>
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<td>TRACECA</td>
<td>Transport Corridor Europe–Caucasus–Asia</td>
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<td>UNSC</td>
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<td>UNTAET</td>
<td>United Nations Transitional Administration of East Timor</td>
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<td>USA</td>
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<td>USSR</td>
<td>Union of Soviet Socialist Republics</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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From a pot of wine among the flowers
I drank alone. There was no one with me—
till, raising my cup, I asked the bright moon
to bring me my shadow and make us three.
Alas, the moon was unable to drink,
and my shadow tagged me vacantly;
But still for a while I had these friends
to cheer me through the end of spring ...
I sang. The moon encouraged me.
I danced. My shadow tumbled after.
As long as I knew, we were boon companions.
And then I was drunk, and we lost one another.
... Shall goodwill ever be secure?
I watch the long road of the River of Stars.

Li Bai (743)
Chapter 1
“Do as I do”: The Global Politics of China’s Regionalization

Emilian Kavalski

Can it be justly claimed that a nation which has maintained a regularly administered government over hundreds of millions of human beings for thousands of years… is uncivilized? It must be admitted, I think that the point of civilization is not the one on which the question of international law, in its application to China, should turn.

David Dudley Field (1884, 452–453)

Do as I do! Signal left and turn right.

Deng Xiaoping (quoted in Shenzhen 2004)

Introduction: Engaging China in international relations

This volume grapples with the reality of new regionalisms. Usually, the conversation on comparative regionalisms is hijacked by the “exception” of the EU, just as discussions of Asian regionalisms rarely steps outside ASEAN’s lodestone. In this respect, the engagement with different regionalisms remains befuddled because of the expectation of a legible, institutionalized behavior, not shared practices. In contrast to such institution-seeking analyses, this volume asserts that the proliferation of different regionalisms reflects the globalizing contestation of the very idea of what the pattern of international politics should look like and how it should be practiced. Thus, if democracy has indeed become “the fundamental standard of political legitimacy in the current era” (Held 1998, 11), it is to be expected that the (con)current “democratization” of international relations would enunciate a cacophony of alternative (and non-Western) voices promoting alternative visions of the “appropriate” forms of legitimation and authority in global life. Moreover, as Amitav Acharya and Barry Buzan (2007, 288) argue “if we are to improve IRT [International Relations Theory] as a whole, the Western IRT needs to be challenged not just from within, but also from outside the West.” In other words, the study of comparative regionalisms (to paraphrase Hedley Bull’s and Adam Watson’s well-known adage) reveals the expansion of international societies.

The pervasiveness of China’s regionalization, therefore, draws attention to that fact that for the first time in a very long time there is a need to engage the politics
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of regionalization as a process driven by a non-Western actor and underpinned by a non-Western understanding of international relations. The starting point for this investigation is not what one calls regionalization, but how it is done. Such a premise offers the possibility of a nuanced interpretation of “what it is we want to know in world affairs” (Pettman 2000, 10) by focusing on China’s region-building practices. Thus, it would appear that 125 years later, the hunch of the American legal reformer David Dudley Field (in the epigraph) about the conceptualization of China’s position in world affairs still holds true. Thus, the debates on whether China is going to comply with established (Western) standards of international behavior or adopt a conflictual stance reveal that “international law [is still] regarded as a tool owned and used by the West to exploit the rest, including China” (Chan 1999, 175). Although more nuanced than the racialized sensibilities of its Victorian modality, the prism of the current “clash of civilizations” still informs Western perceptions of Beijing’s global agency. In this respect, just like in Field’s day, there are two problematic issues.

The first one relates to the application of Western standards for gauging the international behavior of a non-Western actor. The difficulty in this regard is not so much the unfamiliarity and opaqueness of China’s decision-making, but the recognition of the sameness of the other. For at least 200 years, the rivalry over structural power in world politics has been “the great game” of Western actors. Thus, the so-called Oriental/Third World/developing nations have been the plaything of Western whims—either as mere observers (at best) or as victims (at worst). In both instances, however, agency (especially, global agency) was not a feature of their international identity. Instead they were assumed to be passive recipients of the Western gaze/rule/aid as scripted by the templates of colonialism, Cold War bipolarity, and democratization. Yet, the practices of “rising China” have challenged this perception. Beijing’s increasing economic and political clout demonstrates that a non-Western actor is equally skilled and willing to engage in the global playground.

In this respect, the acknowledgement of the sameness of China’s international agency implies reciprocity and a treatment of Beijing as an equal member of (and partner in) the international society. Following Don Puchala (1997, 129) such a recognition would involve going beyond the relevant cultural frontiers framing the interaction between “the West” and the “non-West” as

those states and societies culturally outside Europe and its cultural enclaves in North America, Australia, New Zealand, and Israel. A more complex, and also a more accurate definition of the non-Western world would include within the non-West the unassimilated immigrant enclaves of Africans, Asians, Middle Easterners, Caribbeans, and Latins found within Europe, the USA, Canada, Australia, New Zealand, and Israel. In the same way, the West by this definition would include the bourgeois strata and other “Westernized” or comprador groups within non-Western societies. Accordingly, interactions between the non-
West and the West may take place between Western and non-Western states and societies as well as within both Western and non-Western states and societies.

Indicative of such a Western unease about China’s rise to a “peer-status” is Anthony Lane’s quip during the 2008 Beijing Olympics: “What kind of society is it that can afford to make patterns out of its own people?” (Lane 2008, 28). This explicit othering of China reflects the difficulties provoked by, what Andre Gunter Frank calls, the need to “reorient” conventional conceptions of global life. According to him, the difficulty emanates from the “divisive ideological diatribes” that proclaim “the exceptional, indeed exceptionalist, diversity that allegedly distinguishes ‘the West’ from ‘the rest’.” The assertion is that “following the end of ‘the evil empire’, “Western alarm bells are sounding against the new bogeyman, Islam—and then China… the ‘yellow peril’” (Frank 1998, 358–359). Some have even forecasted that in the climate of the “war on terror,” the strategy would be “Iraq first, Iran, and China next” (Plesch 2002).

In this respect, the second problematic issue prompted by China’s rise is the lack of language to both articulate and engage the novelty of such a development. Thus, the contemporary positioning of China in the analysis of world politics confirms the observation that there is “no non-Western International Relations theory” (Acharya and Buzan 2007). As Inayatullah and Blaney demonstrate, the Eurocentric language of the discipline has led the study of global affairs into the rut of “crude and caricatured understanding of… the varying forms of life of ‘non-Western peoples’.” Consequently, difference is “almost preconsciously treated as simultaneous with disorder, fear, suspicion, and condescension” (Inayatullah and Blaney 2004, 123). It is in this respect, that the “fog-of-change” (Ramo 2004, 8) befuddles the language of explanation and understanding of international politics—i.e., “students of world politics have not been socialized into being curious about the “non-West” but have been encouraged to explain away non-Western dynamics by superimposing Western categories” (Bilgin 2008, 11).

Many commentators have thus asserted that the “IR conversation” is in a desperate need of democratization—i.e., it needs to abandon not only the “hegemony of its singular worldview,” but also acknowledge the “multiple worlds’ that crowd our lives [through] the various, entwined legacies of worldviews, traditions, practices, institutions, and norms that have interwoven peoples, societies, and civilizations for millennia, making world politics what it is” (Chen et al. 2009, 744). Failing short, might make the West increasingly irrelevant to a “world-in-the-making of hegemony without a hegemon” (Beeson 2009, 111). Some have even argued that this is already happening in the “world without the West:”

The disagreements among China hawks, China doves, and China “realists” are not really about logic, they are about how much hedging is enough and how much is too much… Rising powers are not bound to this set of strategic choices. The wishful mythology of a single and flattening world is convenient for Americans to believe, but wrongheaded. The technologies of globalization
empower connectivity, but do not indicate equal terms of connection. The post-Cold War period is not a story of gradual modernization and progressive integration that connects the world uniformly to the benefit of all. Instead, it enables a distinct alternative to conflict and assimilation, whereby rising powers are increasingly “routing around” the West. By preferentially deepening their own ties amongst themselves, and in so doing loosening relatively the ties that bind them to the international system centered in the West, rising powers are building an alternative system of international politics whose endpoint is neither conflict, nor assimilation with the West. It is to make the West... increasingly irrelevant. (Barma et al. 2007, 23).

The claim then is that it is not too far-fetched to conceive of the knowledge economy of the non-West—India’s IT sector, Brazil’s rocket delivery systems, and China’s space, software, and hardware technology—as constituting an independent universe of intellectual exchange (Ying 2002, 116). Furthermore, the China-Russia relationship within the SCO-framework represents one of the most visible financial and trade relations “outside the sphere of the dollar” (Campbell 2008, 96). Recognizing the need to “reOrient” the study and language of international relations so that they can account for the distinct agency of non-Western actors, this volume’s investigation of the global politics of China’s regionalization intends to develop nuanced contexts for the “more flexible, more dynamics, and more evolutionary” understanding of “a new world” marked by “ambiguities, ambivalence, and uncertainty” (Chen 1998, xiv). The focus in particular is whether China’s regionalization instances the dynamics of “routing around” the West in a bid to project an “alternative system of international politics.” In other words, the query is whether (and to what extent) China’s regionalization strategies demonstrate the patterns of global politics of a “world without the West.”

The claim here is that what is distinct about the “new physics of power and development” (Ramo 2004, 2) reshaping the understanding and explanation of international order is China’s distinct predilection towards organizing its rhetorical and policy engagement with other states on a regional basis. Hence while China continues to maintain an “omni-directional (zhoubian)” set of foreign policy approaches (Lanteigne 2005, 2), it is the regionalizing aspect of its international agency that indicates China’s transformative potential in international life. The dynamics of regionalization, thereby, reveal the enhanced inclusivity, flexibility and political pluralism of Beijing’s foreign policy formulation. This research focus acknowledges that while it is the dynamics of globalization that tend to render legible the pervasive complexity of global life to popular, policy, and scholarly imaginations, contemporary international politics “just as easily [can] be described as the ‘era of regionalism’” (Wunderlich 2008, 1). As some commentators ascertain “globalization is a multi-layered process and the ‘new regionalism’ is a prism through which local and global forces interact” (Hentz and Boas 2003, 12).

This volume investigates whether there is an emerging pattern in global politics which is distinguished by the matrix of China’s regionalization. The query
then is whether China’s nascent practices of regionalization suggest a foreign policy outreach, whereby Beijing’s agency initiates idiosyncratic discourses and practices through which global neighborhoods begin to perceive themselves as distinct regional actors (Acharya 2007; Beeson 2005; Shaw and Söderbaum 2003). For instance, the development of the Shanghai Cooperation Organization (SCO) in Central Asia, the Forum on China-Africa Cooperation (FOCAC), the China-Caribbean Economic and Trade Cooperation Forum, the China-Pacific Islands Forum, etc. have become the more prominent confirmation of this tendency. Such regional arrangements have both bolstered China’s political, commercial, and military profile in those areas. At the same time, Beijing’s proclamation of “new strategic partnerships” in Latin America, the Middle East, South Asia, Southeast Asia, and the Asia-Pacific further validate the centrality of regionalization to China’s global outreach.

In this respect, this volume maps the shifting perspectives on China’s international agency. Such an investigation disrupts the perception of a singular and uniform (new) regionalism through a parallel assessment of the international political economy of China’s interactions with different parts of the world. The following sections contextualize China’s experience within the broader field on regionalization. The case of China instances the peculiar “fragmentation and division” in the literature on new regionalism (Fawn 2009, 10; Shaw and Söderbaum 2003, 3). In an attempt to suture this fissure, this volume’s investigation of China’s impact on the regionalization of global politics is premised on a novel methodological synergy between two complementary analytical approaches—the literature on communities of practice and the framework of international socialization.

In other words, rather than being “shanghaied” by force or trickery, the contention is that states are gradually being socialized into Beijing’s worldview by doing things together with China. China’s regionalization, thereby, is conceptualized as premised on practices rather than explicit norms of appropriateness. As would be explained, this does not mean that Beijing does have a “normative power” in global life, but that this power is premised on engaging other states in the practice of doing together—i.e., they do as China does. This pattern is distinct from the regionalization practiced by Western actors, which is premised on the conditionality of “do as I say, not as I do.” The following section outlines the main features of this proposition. Then the chapter proceeds with an outline of the structure of the volume and the central claims of the individual contributions.

**Contextualizing China’s regionalization**

Thinking about the contexts of international relations in Asia gravitates easily towards the realms of fiction and fantasy. This seems to be particularly the case when grappling with the nascent international agency of China—an actor, whose conceptualization in world politics often straddles the invention/reality divide.
Beijing’s enhanced confidence and (arguably) ability to fashion international relations has been most pronounced in its regionalization strategies.

In the literature on the topic, regionalism is starting to be perceived as a complex and multidimensional phenomenon (Laursen 2003; Wunderlich 2008). After World War II, the inevitability of absorbing states and regions into the American model of neoliberal capitalism seemed triumphantly vindicated by the collapse of the Soviet Union. The ensuing “end of history,” however, began to unsettle such a perception. Regionalism, in particular, appeared to encourage and sustain regional variations (if not outright contestations) of the dominant model. More importantly—regionalism has provided a framework for extending alternative models of order. This need not necessarily be non-Western. For instance, the EU has probably provided the most conspicuous alternative to the US-template (Kavalski 2008a).

The study of regionalism, therefore, draws attention to the increased prominence of the actorness of regional organizations. As Teló (2007, 3) points out, the rise of new regionalism both reflects and attests to the emergence of a “‘post-hegemonic’ international system.” Thus, ever since the beginning of decolonization, the regional level has been gaining enhanced autonomy and prominence in global politics (Buzan and Wæver 2003, 3). It is the condition of post-hegemony, which has provided the facilitating environment for the proliferation of regional agency in global life. Such dynamics define regionalism as “the urge for a regionalist order, either in a particular geographic area or as a type of world order” (Fawn 2009, 13). From a Western point of view (and experience), the region-building implicit in this process can contribute to the political liberalization and even democratization of a region (Harders and Legrenzi 2008).

Regionalization in this regard is represented as an “empirical trend depicting a multidimensional process of intra-regional change that occurs simultaneously at several levels of social, political, and economic interaction,” which is motivated by a desire for “more formal regulatory mechanism and regional governance” (Wunderlich 2008, 3). More specifically, the notion of regionalization identifies “the growth of economic interdependence within a given geographical area” (Ravenhill 2007, 174). The mutually reinforcing dynamics of regionalism and regionalization are expected to escalate into a path-dependent trend of regional integration that pools the sovereignty of participating states (Kavalski 2008a).

The practices of China’s regionalization, however, challenge such perceptions. As a result, many commentators have begun to acknowledge that regionalism in non-Western locales is used as an instrument for establishing, augmenting, and reinforcing the Westphalian parameters of regional politics (Wunderlich 2008, 160). Thus, rather than an intermediary level between domestic and international politics, China’s regionalization can be interpreted as a tool in the government’s foreign policy kit, which is not intention on creating an arrangement or an environment for sharing sovereignty, but rescuing national authority from the stress of multiple globalizations. Consequently, China’s regionalization “proposes to manage international politics through a neo-Westphalian synthesis comprised of hard-shell
states that bargain with each other about the terms of their external relationships, but staunchly respect the rights of each other to order its own society, politics, and culture without external interference” (Barma et al. 2007, 25).

The investigative issue, therefore, remains whether such regionalization contributes to the transformation/solidification of state functions and practices. The contributions included in this volume offer contextual responses to this inquiry with vivid illustrations from China’s diverse regional initiatives. Prior to that, however, the following section offers a brief elaboration of the templates of China’s regionalization.

**China’s regionalization**

In the beginning of the 1990s, commentators were noting down with puzzlement that China is a “regional power without a regional policy” (Yu 2005, 228). Merely a decade later, however, Beijing’s entanglement in different regional arrangements across the globe were provoking similar dismay. Some have interpreted this as an indication of “the global triumph of Western values and methods” (McKay 2009, 123); others, on the contrary, are convinced that this is going to produce an unwelcome change of international relations—one that is akin to the 1930s and 1940s patterns of “malevolent regionalism” (Mearsheimer 2001, 402; Teló 2007, 2).

As already indicated such a bifurcation reflects the “one worldview” of traditional International Relations theory. This volume, thereby, points to the need to acknowledge a wide variety of new regionalisms. In particular, it critiques mainstream theories of regionalism for their unwillingness to account for nonrepresentational practices, which remain “desituated” and “disembedded” from the epistemological roots of Western thinking in the Enlightenment and the concomitant scientific revolution (Pouliot 2008, 260; Kavalski 2007a, 435). In its own way, therefore, this volume assesses the relevance of the existing literature on regionalization for explaining and understanding China’s (non-Western) international interactions with different areas of the world. This is an important endeavor even only because China conceptualizes itself as “a rapidly developing non-Western power” (Wang 2005, 673).

Thus, before delving into the roots of China’s regionalization, it is important to qualify that the contributions to this volume demonstrate that there is little conceptual tension between the notions of regionalism and multilateralism in China’s foreign policy thinking. Instead, both terms are used interchangeably—as stylistic variations. As Zhang Xinhua (2000, 63) explains, in the purview of Chinese commentators regional organizations represent “the most substantial manifestation of multilateralism.” For instance, the Foreign Minister Li Zhoxing (2005) insisted that China’s regional initiatives are in response to a “call for globalized cooperation.” Such caveat is important for understanding China’s regionalization through communities of practice.
Roots of China’s regionalization  In 1993, the then Chinese Prime Minister Li Peng proclaimed that the “active development of beneficial and friendly relations with neighboring states, in striving for a peaceful and tranquil surrounding environment is an important aspect of our country’s foreign affairs work” (cited in Chung 2009, 111). This statement outlines the underpinnings of China’s current regionalization strategies. The emphasis on building “prosperous neighborhoods” is a key feature of China’s positioning as a good [global] neighbor” (Ramo 2004, 52).

Such propositions do not detract from conventional understandings of regionalism, according to which its prominence derives from the analytical and normative commitment to development (Fawn 2009, 9). Yet, commentators note that in China such emphasis on development has acquired a particular significance due to the idiosyncrasies of its own experience of state-building. On the one hand, the “Good Neighbor Policy (mulin youhao zhengce)” has always been part of China’s foreign policy—initially, towards the communist-leaning countries of the Third World and—post-Mao—to non-communist developing nations as well (Chung 2009, 107–108). This experience appears to have provoked a realization that “for a single country it is difficult to resist the control and domination by big powers” (Xinhua 2000, 63). In this respect, regionalization has been promulgated as a strategy for countering the attempts to restrain China’s rise through demands for “westernization” and “transformation” (Wang 2005, 672; Foot 2006, 77).

On the other hand, the end of the Cold War seems to have convinced China that the UN (despite its achievements) is no longer capable of safeguarding peace and security. Instead, it is regional organizations that are increasingly more likely to offer relevant responses to “complex and intricate contradictions” (Xinhua 2000, 63). Regionalization then offers viable ways for ensuring China’s development through “chaos-management” (Ramo 2004, 12). In other words, regional arrangements offer frameworks though which Beijing does not impose control over particular issues, but through the practice of regional interactions it adapts to their complexity (and in the process develops resilience). As it would be explained shortly, defining regions through the practices of participating actors allows for the unprejudiced encounter and engagement with the unpredictability of regionalization in different contexts. That is, “if we accept that diplomatic and multilateral practices evolve over time for reasons other than those designed intentionally, then it follows that some aspects of the continuity of practice are not designed” (Borrie 2005, 16). Contingency, in other words, is an integral part of the practices of regionalization.

Thirdly, regionalization appears to have offered China a convincing platform for allaying the fears of other actors about its proactive international behavior. In this respect, China’s increasing willingness to get enmeshed in multilateral arrangements indicates Beijing’s readiness to “make friends in every quarter, trade goods, learn from each others and enjoy respectful interactions (guang jiao pengyou, hutong youwu, bici xuexi, li shang wanglai)” (Barmé 2009, 81). The contention is that bilateral relations are no longer sufficient for ensuring China’s
influence and interests (Chung 2009, 113). Regionalization, thereby, can be interpreted as a strategy for acquiring “the power to avoid conflict,” which in the words of Jiang Zemin helps to “build trust, decrease trouble, develop cooperation, and avoid confrontation (zengjia xinren, jianshao mafan, fazhan hezuo, bu gao duikang)” (Ramo 2004, 39). Furthermore, Beijing’s emphasis on “peaceful coexistence” reveals an inkling that “various civilizations and social institutions” in the world should “co-exist” and “co-develop” (Yin 2003, 7).

Fourthly, the practices of Beijing’s regionalization reflect a specific relation between domestic and international affairs in China. Thus, while the huge spillover effects of China’s economic growth have enhanced its international stature, Beijing “still [feels] uncomfortable internationally” (Lampton 2007, 8). Such characterizations convey China’s self-identification as an “excluded” or “isolated” state (Deng 2005, 55). This perception reflects that in the post-Cold War world, China is a “deviant” state, representing one of “the last bastions of communism” (Zhang 2001b, 247). The 1989 Tiananmen Square protests appear to have increased Beijing’s preoccupation with regime security. Hence, like its now defunct comrades in the former Soviet Bloc (Kavalski and Zolkos 2008), the CCP took the road of national communism. As a phrase which described certain phenomena in what used to be the communist world, the term “national communism” denoted “a reaction against the national communism of the Soviet Union” (Hammond 1955). More broadly, it indicates the legitimation of communist practices through an amalgamation of the language of Marxism with the discourses of nationalism (Kavalski 2009a).

Initiated by Deng Xiaoping’s call for socialism “with Chinese characteristics,” the PRC’s brand of national communism “apparently confers some kind of authority or legitimacy within China and serves to protect users from personal attacks that may arise during political campaigns or struggles” (Chan 1999, 140). Thus, by stoking up nationalist fervor, the CCP now “carries the burden of living up to people’s demands” (Roy 2009, 28). In this context, China’s regionalization strategies respond to this “peculiar sense of insecurity”—“Beijing’s quest for regime preservation and stability has transformed the CCP’s political predicament to a peculiar but national sense of insecurity and frustration in the economically rapidly growing China” (Wang 2005, 674). The preoccupation with “international status,” therefore, reflects a situation in which the “Party must gain face for China before international society to earn the support of nationalist audiences at home” (Gries 2005, 112). In this respect—just like in (Eastern) Europe—nationalistic discourses have provided a powerful platform for popular mobilization, which competes with the government-provided explanations of reality and, equally importantly, reinterprets an individual’s position vis-à-vis the existing institutions of state and party (see Chapter 5).

These four dynamics underpin the current practices of China’s regionalization. As a foreign policy approach, it emerges out of idiosyncratic push-and-pull factors that shape Beijing’s attempt to position itself as a responsible and reliable international actor. At the same time, Chinese policy-makers are increasingly
forced to reckon with strong national feelings at home as their legitimacy (and grip on power) appears intimately connected to nationalist sentiments. In this respect, the global politics of China’s regionalization present an intriguing intersection of the discursive memory of the past with the contexts and tasks of the present. From this perspective, Beijing’s outreach to different regions around the world illustrates the attempt to “complete the painful search for a coherent national identity” (Gries 2005, 106). Such a failure to elicit “a set of values that unites the Chinese population domestically” (Li 2008, 305) is crucial to understanding not only the roots of China’s regionalization, but also its “logic of practicality” (Pouliot 2008).

*Chinese communities of practice* Both Western and Chinese forms of regionalism are underpinned by a desire for stability and security. Regionalization in this regard reflects the dynamics of such “chaos-management.” However, what distinguishes Western and Chinese regionalization strategies is the former’s territorial ramification of regions and the latter’s emphasis on practices. Chih-yu Shih (1996, 107) maintains that the “Chinese could easily give up territory they had taken during victory and refuse to surrender even having lost a great deal of land. Security in territorial terms is an intrinsically Western notion.” Such a distinction further compounds the issues associated with defining the borders of a region. The complexity involved appears to reiterate the utility of the term *regionness* as a signifier of particular regionalizing dynamics (Fawn 2009, 13). In particular, the relationship between *regionness* and *actorness* (Hettne 2005, 556) reveals that regions are defined by the practices of a regional community.

In this respect, regionalization identifies a pattern of relations indicative of a *community of practice*. The term designates a group of actors who over a period of time share in some set of either formal or informal social practices geared toward some common purpose (Borrie 2005, 15). The claim then is that regardless of however loose or amorphous they are, communities of practice fashion negotiated outcomes in the process of doing things together. Consequently, the boundaries of regions are determined by the practices that constitute them (Adler and Greve 2009, 59). Within such a dynamic interactive environment, socialization takes place in the context of dispositions constituted within a community of practice (Adler 2008, 204). The practices of international socialization indicate an actor’s ability to “shape what can be ‘normal’ in international life” (Manners 2002). The contention here is that the regionalizing aspect of China’s international outreach reveals not only Beijing’s socializing propensity, but also its practice by a non-Western actor. In this respect, China’s foreign policy practices aim not only at educating states about what Beijing perceives as appropriate behavior, but also at their adoption of the Chinese “perspectives toward themselves.” It is in this setting that China has promoted itself as a model of a state that “‘behaves’ in a certain way domestically, and in some particular way internationally” (Shih 1990, 21–25).

As suggested, communities of practice are not about good or bad practices, but about what actors happen to do together. Not surprisingly, then, the practices
of China’s regionalization are framed in the discourses of “harmony in diversity” (Yan 2006). Pouliot (2008, 269) observes that the problem for conventional international relations discourses posed by practical logics emanates from the fact that they “cannot readily be verbalized or explicated by the agents themselves because practice does not account for its own production and reproduction.” Brantly Womack, however, indicates that China’s regionalization is premised on the perception that “all actors, international or individual, are located actors. They move within a framework of possible actions that is given meaning by their history, their resources and their judgment of those with whom they are interacting.” Beijing’s region-building attitude suggests that in an “asymmetric world, reciprocity requires respect.”

In a world of equals, each is in a similar situation, and each can respond in kind to the actions of others. With symmetry, respect for others can be reduced to the Golden Rule, because in fact other can do to you what you do to them. In a world of asymmetric relationships, respect—appreciation for the situation and autonomy of the other—requires special attention. Respect for the weaker side is not simply noblesse oblige or an act of generosity of the stronger. The weaker can only afford to be deferential to the strong when they feel that their identity and boundaries will be respected. (Womack 2008, 294–297)

In this context, China’s regionalization appears structured by the practices of development, non-interference in the domestic affairs of states, and respect for their national sovereignty but the particular avatars of those logics in different global locales is not only context-specific, but also “inarticulate” (Pouliot 2008, 269). Strategically then, regionalization is about the practices that become prevalent in a particular region. The contributions to Part II of the volume emphasize China’s diffusion of its practices to global locales in an attempt to construct communities willing to do things together with Beijing. Although implicitly normative (in the sense of purveying certain rules and values of appropriateness), such regionalization is not conditional (i.e., explicitly premised on norms). Such regionalization reflects Deng Xiaoping’s 1978 injunction that “practice is the sole criterion for testing truth” (quoted in Chan 1999, 162). This is one of the distinguishing features of Chinese regionalization. Thus, unlike Western region-building strategies which prioritize compliance with specific, externally-promoted norms (i.e., “do as I say, not as I do”), Beijing stresses the practice of doing together (i.e., “do as I do”).

China’s regionalizing relations, therefore, reflect a foreign policy premised on “respect for the partner” (Womack 2008, 296). Such logic of regionalization indicates the emergence of “layers of practical regions” (Adler and Greve 2009, 81) extending simultaneously over the same geographic area. What transpires in this context is a “balance-of-practices”—i.e., what and whose practices dominate the institutionalization of a regional system of governance substitutes the traditional balance-of-power (Adler 2008, 203). The appearance of an identifiable Chinese regionalization strategy reflects the overlap between “two distinct systems of
rule, two different ways of conceiving power, two sets of practices—which may be distinguished, not only analytically, but also normatively—and two different ways of imagining space” (Adler and Greve 2009, 62). In other words, the overlap between different notions of regionalization—i.e., Western and non-Western—should not be perceived as an analytical impossibility, but as an indication of the empirical reality of global complexity (Kavalski 2007a; 2008b). With this observation in mind, this volume offers a viable articulation of the global politics of China’s regionalization from within the purview of a still predominantly Western International Relations theory.

Structure of the book

As the following chapters demonstrate, the encounter with the politics of China’s regionalization strategies reveals the complex mosaic of global life. Nevertheless, it is necessary to qualify that no volume, not even one as encompassing as this one, can be completely comprehensive in its coverage of China’s outreach to different areas of the world. In fact, the provision of an exhaustive inventory of the international agency of Beijing—even if it were possible—is not the objective of this collection. Instead, the intention is to provide a set of cases, perspectives, challenges, and priorities that offer thoughtful suggestions for the study of China’s external relations.

In this respect, while all contributions are responding to a similar set of probing queries, the methodological makeup of their responses is not constrained by the imposition of any particular paradigmatic perspective for the parallel assessment of comparative regionalisms. Instead the volume is framed by a “consistent” eclectic approach. Its eclecticism is informed by (i) the understanding that the disciplinary paradigms of international relations are commensurate and can be mediated; and (ii) the suggestion that, on the one hand, rationalist theories are more compelling when they are combined with ideational insights into effects of norms and identities, while, on the other hand, the explanatory value of constructivist propositions is expanded by a focus on power (Kavalski 2008a, 5). Such an eclectic approach attempts to overcome the problems emanating from “the inadequate number of interlocutors from the ‘non-West’ who could have informed their ‘Western’ counterparts about ways of thinking and doing world politics in their own locale” (Bilgin 2008, 12). In other words, eclecticism allows for the rigorous study of the endogenous and exogenous factors for regionalism without prejudicing the analytical encounter with its non-Western forms.

The volume is divided into two parts. Part I overviews the historical, analytical and comparative contexts of the global politics of China’s regionalization. The intention here is to sketch the broader framework within which China’s region-building strategy is positioned. In line with the eclectic methodology of the volume, the contributors to Part I do not attempt a homogenizing read of Beijing’s foreign policy making, but rather aim to highlight the diverse contexts that inform
its external strategies. In this respect, the first three chapters of Part I offer distinct historical renditions of China’s regionalization.

In Chapter 2, Feng Zhang engages the notion and practices of “Tianxia” in an attempt to illuminate the patterns of Beijing’s international affairs. The investigation probes the relevance of historical comparisons to contemporary world politics. In this respect, Feng Zhang argues that if used with caution, the experience of the past can provide relevant frameworks for uncovering the dynamics of socialization. With a similar intellectual vigor, Sheng Ding, in Chapter 3, queries whether China’s historical traditions impact its current foreign policy practice. Ding’s conclusion is that there is little in the “international” relations of ancient China that would amount to “historical roots of regionalization.” Bearing this in mind, Sheng Ding undertakes a detailed analysis of the weaknesses and limitations of China’s regionalization as presaged by its relations with the Global South. In Chapter 4, therefore, Jeremy Paltiel interrogates “what kind of practices” animate China’s commitment to regionalism. For him, historical parallels offer useful frameworks for understanding the kind of foreign policy practice rather than establishing actual lineages to prior experience. Thus, Paltiel propone that China’s regionalization can be read as a “neo-Mencian” foreign policy founded on “the capacity to exercise moral leadership.”

The next two chapters enmesh China’s regionalization strategies within the frameworks of its domestic and foreign policy making. On the one hand, in Chapter 5, Jing-dong Yuan makes an innovative investigation of how Chinese nationalism impacts on the country’s region-building strategies. The inside/outside divide has been a central feature of the study of new regionalism. Jing-dong Yuan emphasizes that it has a special relevance to the case of China as well. In particular, the increasing centrality of identity-politics—especially, for popular legitimation—offers provocative insights into Beijing’s regionalism. On the other hand, in Chapter 6, Enyu Zhang positions Beijing’s regionalization within the broad spectrum of the PRC’s foreign policy goals, choices, and tools. Such an account makes a poignant observation on the relationship between Chinese strategic culture and Chinese foreign policy making. According to Enyu Zhang, the practice of regionalization reveals Beijing’s realization that “an inward-looking and self-sealed country is most likely to fall behind the rest of the world, regardless of its previous grandeur.”

The last two chapters of Part I engage in a parallel assessment of China’s regionalization with that of the USA and the EU. Such comparative analyses offer prescient glimpses into the similarities and differences between China’s and the West’s two dominant models of regionalization. In Chapter 7, Greg Anderson points to the peculiar historical reticence with which both the USA and China have approached economic integration with their neighbors and the world. His analysis demonstrates that despite the rhetoric and the politicization, when stripped down to their analytical barebones, both the USA’s and the PRC’s regionalization strategies are strikingly similar. As Anderson aptly puts it, their underlying logic is “just say no to institutions.” In Chapter 8, David Scott compares the regionalization
strategies of the EU and China. He also emphasizes that there are a number of important parallels in the ways in which both Brussels and Beijing engage other regions. However, for Scott, it is the differences that matter—and all of them relate to the distinct (if not contradictory) normative motivations of both actors.

Thus, the historical, analytical, and comparative contextualization of the global politics of China’s regionalization provided in Part I corroborates the perception that the “regional momentum has proved unstoppable, constantly extending into new and diverse domains” (Fawcett 2004, 431). What is “new” and “diverse” about Beijing’s contribution to the “regional momentum” is the confrontation not only with the agency of non-Western “great powers,” but also with the patterns of non-Western international relations and orders (Deng 2008, 294). Part II of this volume elaborates on these dynamics by providing insights from several instances of China’s regionalization.

Beijing’s enhanced confidence in and ability to fashion international relations reflects the transformations and the transformative potential of China’s external agency in Asia (Kavalski forthcoming). Therefore, the first three chapters of Part II examine China’s Asian regionalizations. In Chapter 9, Yongjin Zhang traces the frameworks of Beijing’s involvement in East Asia. As the analysis points out, a conventional political economy approach offers little conclusive evidence on the conflict/cooperation propensity of new regionalisms. Instead, Yongjin Zhang cogently demarcates that the practical trajectories of East Asian regionalism will be “increasingly subjected to China’s policy considerations, strategic choices, and willingness to cooperate.” According to him, this dynamic indicates not just a complex array of actors, but also the “path-dependent” nature of the evolving regionalization of East Asia.

Next, in Chapter 9, Ralph Pettman deftly outlines the intricacies of China’s regionalization of Southeast Asia. He engages with the dominant analytical perspectives promoted for the explanation and understanding of China’s agency in the region. In particular, Pettman’s analysis demonstrates the futility of bifurcating “either… or”-type of studies of the PRC’s external affairs. In this respect, Chapter 9 reinforces Andrew Hurrell’s (2007, 143) proposition that “the most important lessons of the past decade of regionalist debates have been… that it is not helpful to draw an overly sharp distinction between power-based accounts of the region on the one hand and institutional and identity-based accounts on the other.”

Chapter 11 brings the discussion of China’s regionalization to the experience of Central Asia. Thinking about the patterns of international affairs in the region gravitates easily to the clichéd imagery of a “great game,” “land of discord,” “pulpit of the world,” “global chessboard,” etc. (Kavalski 2009b). In this context, Stephen Aris interrogates Beijing’s construction of a formal regional institution—the Shanghai Cooperation Organization. This unique region-building experience has not only constructed an environment “both open to Chinese participation and conducive to Beijing’s interests,” but also has set the standard for the PRC’s other regionalizations.
This explicitly Asian experience of China’s regionalization informs Beijing’s interactions with other areas of the world. As Carrie Liu Currier and Manochehr Dorraj demonstrate, China’s expanding regional influence in the Middle East requires “contextual understanding of the complex dynamics of global politics.” Thus, it is through the attentive and careful observation of the patterns of world affairs that Chapter 12 illuminates Beijing’s adept positioning in the Middle East. Similar logic informs Emilian Kavalski’s overview of China’s regionalization of Africa. Chapter 13 demonstrates that while China’s meteoric rise provokes anxiety, fear, and suspicion in the West, in the non-West, Beijing is increasingly starting to be perceived as an appealing alternative (if not an outright model).

Likewise, in Chapter 14, Julie M. Bunck uncovers the evolving military dynamic of China’s regionalization initiatives in Latin America. The repertoire of Beijing’s practices in the region reveals that the PRC’s growing presence in Latin America is perceived as “establishing more balance, less dependency, and alternative model of community.” Chapter 15 takes this conceptualization to the experience of China’s nascent agency in the South Pacific. Jian Yang emphasizes that while of recent provenance, Beijing’s influence in the region has grown exponentially. Yang’s erudite analysis draws the conclusion that the PRC’s involvement in the South Pacific regionalism can be “an opportunity not only for the Pacific Islands’ countries, but also for Australia and New Zealand.”

Thus, the analyses of Part II confirm that regionalization is framed not so much by the “environmental fitness” of its institutional arrangements, but by its “meaning investment”—i.e., “the endowment of meanings of identity and interests with authority and naturalness of the kind that may only come with practice” (Adler 2008, 203). In this respect, the claim here is that regions are not merely geographic locales, “politically made” (Katzenstein 2005, 9), “geopsychological arrangements” (Pempel 2005, 3), or “spoken into existence” (Neumann 2001, 60); they are constituted by practices. The contention then is that regions are not so much the creation of “political power and purpose” (Katzenstein 2005, 21), but of practices (this does not mean that political intentionality is irrelevant, but that practices form their own contingent patterns). In this respect, the focus on the practices of China’s international relations buttresses the challenge to the conventional matrix of assumptions on regionalization posed by the contributions included in this collection. At the same time they also query the impact that Beijing’s region-building can have on the patterns of global life.

**Conclusion**

After the Cold War, commentators began pondering how far Western ideas can/ would spread. Today, the debate seems to be how far Chinese ideas will spread. Such a shift in observation has been significantly impacted by the nascent practices of China’s regionalization. The global politics of their dynamics appears to present a viable alternative to Western models—“the first promising formula for state-led,
third-world development” (Puchala 2003, 71). As the contributors to this volume indicate, the uncovery illuminating such a “move beyond the West” requires not merely its denunciation, but its “rediscovery and reimagination” (Shani 2008, 724). In this respect, by zooming-in on the practices of China’s regionalization this volume suggests that the social context of its dynamics reveals the emergence of “a world of relational process, a world which must be studies in relational terms” (Barkawi and Laffey 2006, 349). Furthermore, the focus on the patterns of regionalization reveals that while the “security” of Western International Relations theory is still intact, the Western practice of international relations is not (Chan 1999, 6).

The question that is on everyone’s lips is: how is the current global economic crisis in combination with a deepening climate chaos going to affect China’s regionalization dynamics? In this respect, are parallels with the 1997/1998 Asian financial meltdown still viable to the current context? These are posers whose responses are contingent upon the random combinations between the different particles of the unpredictable concoction of world affairs, Chinese domestic politics, and biospheric dynamism. Such a complexity suggests that regardless of the “merits various theories of hegemonic transition may have had in the past, they may all need to be rapidly rethought” (Beeson 2009, 96). What the contributions to this volume seem to agree on though, is that the jury is still out on whether the sum of the parts of China’s regional arrangements is suggestive of a new global governance mechanism. Instead, however, the chapters of this collection point out that China’s outreach to different global locales offers alternative practices of regionalization. However, unlike Western forms of region-building (Teló 2007, 13), China’s template does not appear to reduce the number of actors involved in the process of negotiation within the international arena. If anything, Beijing’s outreach appears to multiply (if not complexify) the layers of practices and interactions in a region (Kavalski 2007b).

This volume should not be misunderstood as an attempt to suggest that there is a singular non-Western regionalization (just as there is no single Western regionalization). It is not an exercise of ordering or classification; instead, it aims to draw attention to the “many different kinds of IR theories in the world” (Song 2001, 64)—hence, the diversity of perspectives presented in the following pages. What it, however, draws attention to is that there are distinct modes of region-building appearing that lend themselves to the broad generalizing labels of “Western” and “non-Western.” The claim then is that the literature on regionalization needs to pay attention to the varieties of new regionalisms permeating global life. Accounting for their proliferation would require an acknowledgement not only of their reality, but also of their validity and legitimacy. Equally importantly, such a confrontation with non-Western forms of regionalization would require an alteration of the language of International Relations theory. The cacophony of global voices requires an open source medium for their conversation. It is hoped that the translation of the global politics of China’s regionalization offered in the following chapters makes a constructive first-cut in such an endeavor.
PART I
Historical, Analytical, and Comparative Contexts of the Global Politics of China’s Regionalization
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Chapter 2
Regionalization in the Tianxia?
Continuity and Change in China’s Foreign Policy
Feng Zhang

Introduction

In the traditional Chinese worldview there was no conception of “region.” Instead, the distinctive concept used by the Chinese was Tianxia, or the surrounding world. Tianxia has been commonly translated into English as “all under heaven.” Such literal translation is problematic, for in practice, Chinese rulers, by claiming to be “overlords of the Tianxia,” did not intend to lay their suzerainty over the entire known world (Gan 2003, 508). Rather, their Tianxia was more circumscribed, generally referring to the Chinese empire and the adjacent areas with which the Chinese interacted—roughly corresponding to what we today know as Northeast and Southeast Asia and parts of Central Asia.

“Regionalization in the Tianxia” is therefore somewhat of a contradiction. Yet we can still conceive of China’s relations with its neighbors as having constituted a distinctive regional order, or the “Tianxia order” as some Chinese scholars have called it (Zhao 2005; Gao 2003). The purpose of this chapter is to clarify the nature of this order from the Chinese side by analyzing the foreign policy motivations and strategy of Chinese rulers. For the purposes of brevity, this investigation is limited to the early Ming dynasty (1368–1424). This makes good sense for at least two reasons. First, for the first time in Chinese history, the early Ming developed a single pattern for the bureaucratic management of all foreign relations which has often been called the “tribute system” (Wills 1984, 14; Fairbank and Teng 1941, 137; Mancall 1984, 13). This period is thus one of the most likely periods in Chinese history when salient features of Chinese attempts to socialize its neighbors might be found. Second, the early Ming saw a consolidation and expansion of Chinese power. Since we are interested in the possible socialization impact of contemporary China on regional order, looking back at a period when China was indisputably the greatest power in the system might be particularly instructive.

The chapter begins with a conceptual discussion on imperial Chinese foreign policy. The second section examines early Ming policies toward Korea, Japan, and the Mongols and asks what kind of “community of practice” emerged between China and its neighbors. The third section discusses the contemporary implication
of traditional Chinese foreign policy, focusing on the aspect of socialization. Socialization was a salient aspect in imperial Chinese foreign policy; it may yet again become prominent as Chinese elites begin to “rethink China” and develop a distinctive set of Chinese ideas for managing international affairs.

**Conceptualizing Imperial Chinese foreign policy**

“Traditional China’s foreign relations” was once a thriving field in the historical scholarship. The research efforts initiated by John King Fairbank from the 1940s to the 1960s—particularly Fairbank’s “tribute system” and “Chinese world order” thesis—have had enduring influence on our understanding of premodern Chinese foreign policy (Fairbank 1942, 1953, 1968). Some international relations scholars have also viewed the tribute system as the fundamental institution of the traditional East Asian “international society” (Zhang 2001). Yet the tribute system is first of all an analytical category, “a Western invention for descriptive purposes” (Mancall 1968, 63). It may or may not be useful for organizing our analysis of China’s foreign relations. In contrast to customary practice, this chapter will break away from the tribute system paradigm dominating the study of East Asian diplomatic history. In fact, deconstructing the tribute system as a historical institution might shed more light on the nature of Chinese foreign policy.

If the tribute system is removed, what is left? One might begin by conceptualizing the ends and means of imperial China’s foreign policy. A necessary starting point is to examine the implication of sinocentrism—the Chinese conception of their centrality and superiority in the known world (the classic statement is still in Fairbank 1968). Such a conception is said to have led Chinese rulers to view foreign countries as inferior tributary/vassal states in a China-centered international hierarchy and to require them to pay proper tributes to the Chinese court in the form of local products. But it must be noted that this is only a generalization. In practice the Chinese did not always think this way, especially when dealing with powerful foreign rivals (Rossabi 1983). The assumption of sinocentrism is therefore useful only during certain periods in Chinese history. We can, however, expect its analytical utility during the early Ming. By the time of the Ming—the last Han Chinese dynasty—sinocentrism and other cultural assumptions must have been well developed and passed down to China’s ruling elites. In addition, sinocentrism might have been given strong behavioral expressions in the early Ming since this period also witnessed a new assertion of Chinese power.

What, then, might be the effect of sinocentrism on early Ming foreign policy? Sinocentrism would lead to a sinocentric identity on the part of Chinese rulers—the understanding of China as the center of the world surrounded by the “four foreigners” (Si yi), and as the universal empire and the superior polity that deserves the submission as its vassals from other countries. Chinese rulers would therefore try to satisfy China’s identity needs as the only central, superior, and sovereign entity in the surrounding world. “Sovereign” here means that China had the right
to determine the policies of other countries towards it. Chinese rulers would then try to install other countries as tribute-paying vassals and make them acknowledge Chinese superiority in foreign affairs. This can be fairly called China’s political domination of controlling other countries’ foreign policies toward it (Gan 2003, 490–505).

Further, the sinocentric identity needs might be intrinsically linked with the legitimacy needs in imperial politics. If sinocentrism was entrenched deep enough and becomes a political ideology of some sort, we can expect Chinese rulers to invoke it as the tradition of China’s role in the world. This would compel them to realize a sinocentric world order in order to satisfy the ideological requirement of governing China. Its attainment would therefore partly constitute the Mandate of Heaven—the legitimacy basis of imperial rule. If the rulers wanted to claim the Mandate of Heaven in governing China, they must be able to demonstrate, among other things, that they were indeed the Son of Heaven (tianzi) and the “overlord of the Tianxia” or make it seem so.

Chinese rulers would want to create a sinocentric world order by socializing foreign rulers into accepting its centrality and superiority. Socialization is a process of identity- and interest-formation (Wendt 1999, 170). The ideal outcome of Chinese socialization was for foreign rulers to internalize the sinocentric norm and serve as China’s tributaries voluntarily. To this end Chinese rulers would employ a persuasion strategy to achieve political domination—a strategy of constructing the identity and interests of other countries as China’s tributaries through a normative discourse of Chinese superiority. If this could be successful, a “community of practice”, informed above all by sinocentric norms and regularized through tributary relations, would conceivably emerge. In practice, however, East Asian politics during the early Ming fell short of this ideal, despite apparent tributary practices between China and its neighbors.

But realizing the sinocentric identity underpinned by legitimacy needs could not be the only end of imperial Chinese foreign policy. Some scholars have been misled by the somewhat unique notion of sinocentrism and overlooked other equally important foreign policy objectives that Chinese rulers attended to. Security is among the most important such objectives. Faced with security threats on the frontier of their empire, what would Chinese rulers do? This is a complex question that defies simple answers. Some hypotheses, however, can be derived from realist theories of international relations, especially if we focus on the early Ming, a period during which Chinese rulers were confident about their military capabilities as well as their material and cultural superiority.

Realism dictates that the primary means to obtain desired outcomes are to threaten punishment or offer a side payment. Three strategies therefore appear prominent in a realist world: war, blackmail, and inducement. War is the straightforward strategy for eliminating security threats. Moreover, for a powerful regime such as the early Ming, preventive war might also appear an attractive option—employing war to prevent the rise of threatening powers. This, in fact, largely explains early Ming China’s repeated campaigns into the Mongolian
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Blackmail and inducement are less costly strategies than war. China might threaten to take some undesirable action unless the target country complied with its security request. Or it might hope to gain other countries’ security cooperation by promising political and economic benefits. Indeed, early Ming rulers, especially the Yongle emperor (r. 1403–1424), frequently bestowed political titles, economic gifts, and trade privileges to foreign rulers.

Such a framework, drawing on both constructivist and realist theories of international relations, shows that although sinocentrism is a noteworthy notion, persuasion and socialization that might logically follow from it are not the whole story of Chinese foreign policy in practice. Because socialization might fail, and because China also had to confront external security threats, Chinese rulers must also employ other strategies such as war, blackmail, and inducement when necessary. If, through persuasion Chinese rulers could socialize foreign rulers into internalizing sinocentrism and becoming China’s loyal vassals, then the strategies of war, blackmail, and inducement would be of no use since such a high degree of socialization would have prevented security threats from arising in the first place. But if socialization did not produce its intended effect, we should expect Chinese rulers to employ more power-political means to ensure the security of their empire.

Early Ming foreign policy in practice

The chapter will now briefly discuss early Ming China’s policies toward Korea, Japan, and the Mongols to evaluate the usefulness of the above framework. The early Ming in fact tried to initiate tributary relations with an unprecedented large number of polities in Northeast and Southeast Asia. Narrowing the focus to Sino-Korean, Sino-Japanese, and Sino-Mongolian relations makes good sense because they encompass a wide range of relations between China and its neighbors, from the most cooperative (Sino-Korean relations) to the most difficult (Sino-Mongolian relations). They are in this sense “representative” of China’s overall foreign relations; by examining them one will not miss significant variations in Chinese foreign policy.

Sino-Korean relations

Korea, along with Annam (Vietnam), Champa, and Japan, was among the first countries that the founding Hongwu emperor (r. 1368–1398) of the Ming dynasty tried to initiate tributary relations with. In January 1369, Hongwu dispatched envoys to the Koryo court to proclaim the founding of his regime. His imperial rescript conveyed two messages. First, it emphasized the transfer of the Mandate of Heaven, the basis of imperial legitimacy, from the previous Yuan dynasty to the Ming. Second, it pointed out the historical precedents in Sino-Korean relations
Korea's tributary submission was important to Hongwu because, having just seized power by force from the Yuan, he had to build up legitimacy for his new rule (Huang 1994). It was paramount for his regime to be acknowledged and supported both internally and externally. Internally, Hongwu initiated a series of moves to identify himself with the tradition of legitimate Confucian political authority by cultivating the symbols of Confucian rule and by suppressing the remnants of the heterodox origins of the Ming regime (Dreyer 1982, 66). Externally, he wanted to establish a sinocentric and hierarchic order with other countries serving as his vassals and presenting periodic tributary products. This would demonstrate his superiority and authority in the Tianxia, and confirm his status as the Son of Heaven. Positioning himself as the overlord of the surrounding world, he even sent envoys to offer sacrifices to the stream and mountain deities of foreign countries (Huang 1994, 193–6).

Legitimacy, however, was not the only motive behind Hongwu's missions to Korea. The concern for security, as well as the need for legitimacy, motivated Hongwu’s Korea policy. Even during the first mission the Ming envoy carried the task of persuading Korea to sever ties with Naghachu, the Mongol leader in Manchuria (Goodrich and Fang 1976, 1083). Security would become an increasingly important—and one might say obsessive—concern for Hongwu in later years. Such concern was well founded. The Ming was unable to annex the Liaodong region until 1387. Korea’s geographical location means that it always had vital security interests in the region, and had indeed historically played an important role there (Ledyard 1983). Korea could damage Ming security interests either by directly challenging Ming power in Manchuria or allying with the Mongols or the Jurchens or both to balance against it. By having Korea as a tributary, Hongwu seemed to have hoped that this would enable him to divide and conquer the other two threats in the northeast: the Mongols and the Jurchens.

Sino-Korean relations in the first few years of the Hongwu reign were cordial, but were soon damaged by Koryo’s 1370–1371 campaign into Liaodong. This campaign changed Hongwu’s attitudes toward Korea for good. After 1371 he became increasingly suspicious of and hostile toward the Koreans. He accused the Korea King of bad faith as a result of the Liaodong campaign. In 1373 he got angry at the poor quality of Korean tribute horses. In 1374 he reduced the frequency of Korean missions to one every three years, perhaps as an attempt to gain Korean concession and cooperation in its northeast security (Langlois 1988, 166).

By 1380, Hongwu had become so suspicious that he “was incapable of seeing Korea as anything but a wayward border state which had to be intimidated in an effort to head off trouble” (Clark 1978, 163). Even after the new Choson dynasty (established in 1392) adopted a policy of accommodation—Sadae (“serve the great”)—toward the Ming, Hongwu was still suspicious of Korea’s loyalty and worried about Ming security in the northeast. He withheld the new King’s investiture and accused Korea of a variety of wrongdoings in a 1393 rescript.
(Liu et al. 2005, 31). Although the Mongols no longer posed a threat after the pacification of Liaodong in 1387, the Koreans and the Jurchens were still viewed with suspicion and vigilance. In the last years of his reign Hongwu wanted to prevent Korea from threatening Ming frontier emplacements by reducing contacts between the Koreans and the Jurchens (Clark 1978, 134–135).

The end of the Hongwu reign brought a turning point in Sino-Korea relations. Hongwu had frequently tried to threaten the Koreans for security reasons. His successors took a much more favorable view toward Korea. Persuasion rose to prominence and coercive means such as blackmail took a back seat. The Yongle emperor, for example, swiftly invested the Korean King in 1403. Such enthusiasm was largely motivated by Yongle’s need for legitimacy. Because his rule was established through a violent struggle with the legitimate heir to the Ming throne (the Jianwen emperor, r. 1399–1402), Yongle had to build up the legitimacy of his rule, transforming himself from usurper to the rightful heir. His investiture of the Korean king and his enthusiastic reception of Korean missions were meant to be part of the process in achieving this effect. Moreover, he was not as worried about a potential Korean threat in Liaodong as Hongwu once was, primarily because he waged a successful campaign of peaceful pacification of the Jurchens in Manchuria, displacing Korean influence along the way (Serruys 1955).

Sino-Japanese relations

The patterns of Sino-Japanese interactions were broadly similar to those of Sino-Korean relations. Early Ming emperors tried to politically dominate Japanese foreign policy in areas of tributary relations and policies regarding Japanese piracy for essentially the same reasons: the need to demonstrate legitimacy in order to consolidate their political regime and a concern with security along the Chinese coast. They also employed the strategies of persuasion, inducement, and blackmail to achieve these ends.

Hongwu’s first mission to Japan in February 1369 invoked tributary precedents of the past and in effect asked for Japan’s acknowledgment of his superiority and Japanese tribute to his court (Cheng 1981, 149; Wang 1953, 10). Like his first mission to Korea, this one was also an attempt to revive the sinocentric order believed to have been created by such great dynasties as the Han (206 BC-220 AD) and Tang (618–907) in the past. And essentially for the same reason: making Japan a tributary of the Ming would help demonstrate his legitimacy to rule China.

Hongwu did not receive any reply from Japan. Instead, what he heard was news of Japanese pirates (Wako) pillaging China’s Shandong peninsula (Zhang and Yu 2004, 6725). Greatly concerned with the Wako problem, the emperor sent his second mission in March 1369. This time the rescript was far harsher in tone. Hongwu demanded that Japan offer a proper petition to the Ming court and control the Wako. To that end, he threatened Japan with invasion—“to bind their kings with ropes,” as he described (Wang 1953, 10). His envoys, however, were imprisoned by Prince Kanenaga in Kyushu for three months.
Hongwu was nevertheless willing to try diplomacy once more. In April 1370, he sent another mission with a new and longer rescript. He at the same time advised the desirability of peaceful Sino-Japanese relations and warned about the serious consequence should Japan fail to comply with his requests. In his characteristic style, the rescript ended with a warning: “Be cautious so as to prolong your line of succession” (Wang 1953, 11).

The emperor must have been somewhat pleased by Kanenaga’s mission to the Ming court in 1371, though the latter soon failed to send “proper” tributary missions and increasingly defied the Ming. When Yoshimitsu of the Ashikaga shogunate sent a mission in 1374, Hongwu was apparently confused by Japanese politics. He chose to deal with Kanenaga as the ruler of Japan and reprimanded “illegitimate” missions from all others.

In the next few years the emperor’s attitude toward Japan steadily soured as a result of continuing Japanese piracy along the Chinese coast, several “improper” or “illegitimate” Japanese missions to his court, and the perception of the political chaos in Japan. In January 1381, for example, he became so annoyed by erratic Japanese missions and the worsening Wako problem that he called the Japanese “stupid eastern foreigners” (Wang 1953, 17). After 1381 Sino-Japanese relations were beyond repair. The Ming court treated Japanese missions badly in 1382, 1384, and 1386. In 1387, after discovering Prime Minister Hu Weiyong’s alleged coup to overthrow his rule with the help of Japan—which was a probably fabricated case—Hongwu decided to completely break off relations with Japan (Zhang and Yu 2004, 6728). Afterwards his Japan policy was solely focused on coastal defense against the Wako.

A turning point, however, was reached when Yoshimitsu finally overcame his rivals and consolidated his position in Japanese politics around 1400. Before the Yongle emperor even sent out his envoys to announce his enthronement, Yoshimitsu’s mission arrived in Nanjing in November 1403. What is more, the envoys carried a petition written in perfect Chinese literary style in which the Japanese shogun explicitly called himself a “vassal” of the Chinese emperor (Cheng 1981, 254; Wang 1953, 24–25). This extraordinary and yet unexpected mission pleased Yongle greatly.

The emperor sent a return mission one month later, during which the Chinese envoy completed a novel commercial agreement with the Ashikaga shogunate, opening the official “tally” trade between China and Japan. The Japanese were permitted to send periodic trading ventures to China under the guise of tribute-bearing missions. Yongle was primarily motivated by his desire to control Japanese piracy in extending tally trade privileges to Japan, as the use of tallies gave him a system whereby official Japanese envoys could be readily distinguished from unauthorized traders and pirates (Wang 1953, 38–39). But it must also be said that Yongle was much more active and flexible in his maritime policy than Hongwu had ever been, particularly in terms of his willingness to induce foreign rulers with material incentives.
During 1401–1408 Sino-Japanese relations were remarkably harmonious. Yoshimitsu’s gestures of loyalty toward China were rare among all rulers in Japanese history. He was the only one that seriously tried to meet the Chinese request of suppressing piracy during the Ming period. Yongle, on the other hand, never failed to flatter and please the Japanese with material incentives.

The harmony, however, ended with Yoshimitsu’s death in 1408. Yongle tried to keep the new shogun Yoshimochi as loyal and cooperative as Yoshimitsu. Yet except for the first couple of years, Yoshimochi was aloof and consistently rejected Yongle’s request for tributary relations. During 1411–1417, official contact between China and Japan was nonexistent. Yongle, still hoping to win Japan over, sent back captured Japanese pirates in 1417 in a show of Chinese magnanimity. But his 1417 and 1418 rescripts also carried explicit threats and demonstrated his increasing frustration with Japan’s detachment (Wang 1953, 48–51). The emperor finally gave up any hope of resuming Sino-Japanese relations after Yoshimochi replied to decline relationship with China and deny all responsibility for Japanese piracy.

**Sino-Mongolian relations**

Do we see the same patterns—the strategies of persuasion, inducement, and blackmail for the ends of legitimacy and security—in early Ming China’s policies toward the Mongols? Yes, except that Sino-Mongolian relations were much more confrontational and that Chinese rulers also frequently resorted to the strategy of war.

The prominence of war should not be surprising. The Ming and the Mongols were bitter enemies as the Ming dynasty was established after overthrowing the Yuan and expelling the Mongols from China proper. The Mongols remained a serious threat in two ways. First, their incursions into the Ming frontier constituted a physical security threat. In the 1370s the Northern Yuan still vaguely hoped to restore dynastic rule in the south. Second, the Mongol pretension to continuing Yuan rule posed a legitimacy threat to the Ming regime.

Hongwu hoped for a formal acknowledgment of Ming superiority from the Northern Yuan ruler Ayushiridara and a renunciation of the latter’s claim to the imperial throne (Dreyer 1982, 74). After the 1370 campaigns which successfully established Ming rule in eastern Inner Mongolia and the Gansu corridor, Hongwu in July and November of the same year sent rescripts urging Ayushiridara to submit. But Ayushiridara and other prominent Mongol leaders held their ground, compelling Hongwu to try both war and diplomacy. In 1372 the emperor ordered a massive campaign to conquer all Mongolia. The campaign ended in a major failure, forcing the Ming to adopt a largely defensive posture in the next few years. Meanwhile Hongwu intensified diplomatic efforts. He sent envoys to Ayushiridara and senior Yuan officials to persuade and induce them to submit. But the Mongols were still unimpressed and the Ming had to resume military expeditions. In 1387, the Ming managed to receive surrender from Naghachu, the most prominent
Mongol leader in Manchuria. Shortly afterwards Hongwu decided to take on the remaining Mongol resistance—that of the Northern Yuan court in the Mongolian steppe. In 1388 the Ming army largely achieved this objective by destroying the unity of the Northern Yuan (Zhang and Yu 2004, 6833; Dreyer 1982, 143).

The Yongle emperor had to deal with a bipolar Mongol world divided between the Eastern Mongols led by Arughtai and the Oirats led by Mahmud. In the first few years Yongle tried to persuade and induce both camps to submit as his tributaries. Initially he was patient with the Mongol defiance, but when in 1408 his envoy was killed by the Eastern Mongols he decided to retaliate. He invested Mahmud who came to present tribute at this time, thus keeping the Oirats on his side in the upcoming campaign against the Eastern Mongols. In March 1410 he embarked on his first Mongolian campaign. Arughtai was defeated, then sent an envoy to present tribute horses to the Ming court. Although Yongle knew that the tributes from Arughtai and Mahmud did not reflect their “true submission,” he nevertheless allowed their pretense to continue. Such “submission,” pretended or otherwise, was at least useful for demonstrating his superiority over them.

Yet peaceful tributary relations were also the cause of trouble. Mahmud, benefited from years of tributary relations with the Ming and the defeat of Arughtai, became so restless and defiant that Yongle felt it necessary to destroy him by force. In waging another personal expedition in 1414, Yongle was not so much concerned with Mahmud’s “insincerity”, which he knew all along, as with the Oirats’ increasing defiance, growing power, and their capability to do damage to the northern frontier. The pattern would repeat itself in Ming relations with the Eastern Mongols. The defeat of Mahmud by the Ming army again disrupted the balance of power in the steppe. Strengthening his horde from years of tributary relations with the Ming, Arughtai again tried to harass the Chinese and establish hegemony in the steppe. During 1422–1424, Yongle launched three additional campaigns against Arughtai to eliminate the threat posed by the rise of the Eastern Mongol power.

A “community of practice”?

Did East Asia during the early Ming embody a “community of practice” (Adler 2005)? According to Adler (2008, 196), “communities of practice” refer to “likeminded groups of practitioners who are informally as well as contextually bound by a shared interest in learning and applying a common practice.” Since the concept is broad and expansive—so defined, “communities of practice are everywhere” (Adler 2008, 200)—the early Ming East Asian order can also be interpreted as a form of a community of practice. Indeed, one is easily tempted to conceive of it as a “sinocentric tributary community.” Such an argument could be conveniently made from a standard tribute system perspective: The apparent tributary practices between China and its neighbors formed a community mediated through the institution of the tribute system. Two points, however, should be noted. They do not dispute the conception of the early Ming East Asian order as a
community of practice per se, but call into question the nature of such practice—i.e., how “sinocentric” such practice in fact was, and how accurately a “sinocentric tributary community” reflects the nature of the larger relations between China and its neighbors.

Adler (2008, 196) argues that practices, the background knowledge that constitutes them, and the environment in which they are performed make possible the socialization and persuasion of political actors. There is no question that by sending envoys to neighboring countries, early Ming emperors wanted to persuade and socialize foreign rulers into accepting the sinocentric conceptions of world order. They also expected China’s cultural excellence to somehow transform foreigners into accepting Chinese norms and worldviews. Such socialization attempts, as already indicated, emerged from the domestic political linkage between the legitimacy needs of early Ming rulers and their sinocentric identity informed by past experiences. Yet, it is far less clear what outcomes these socialization efforts in fact achieved. Foreign rulers—including those most amenable to Chinese influence, such as the Koreans—rarely fully internalized sinocentrism or voluntarily served as China’s tributaries during the early Ming (Zhang 2009). Tributary practices, therefore, frequently failed to change the social structure into a sinocentric one in the sense that major political actors in the system collectively believed in Chinese centrality and superiority.

A second reason why the label “a sinocentric tributary community” can be misleading is that tributary practices were not the whole story of regional politics. Indeed, in terms of Sino–Japanese and Sino–Mongolian relations, tributary relations were not even the major part of the story. The Japanese and the Mongols at various points simply rejected such relations. This is one reason why a tribute system perspective is not as useful as it might seem. Moreover, how would one put the Chinese strategies of war, blackmail, and inducement into a community of practice informed by sinocentric tributary norms? The claim here is not that there was no common practice—tributary relations initiated by China were clearly present—but that tributary practices were not the only kind of practice going on. We need to examine what and how much such tributary practices can tell us about the nature of regional politics during the early Ming.

**Socialization, then and now**

Is an historical perspective as outlined above helpful for thinking about contemporary Chinese foreign policy, particularly socialization in its regionalization strategies? Scholars have typically focused on how China has been socialized by international norms and institutions (Johnston 2008). The question of whether China is also socializing other states is therefore an interesting and yet somewhat neglected one.

Shakespeare once noted that “comparisons are odious,” and this seems particularly pertinent to historical comparisons. There are, at least, two reasons
that make it difficult to infer the trajectories of current or future Chinese foreign policy from history. First, the regional and international context in which China finds itself today has changed dramatically. Both the agency and the structure of the East Asian system have been transformed in the past two hundreds of years. China is no longer the dominant power in the system, foreign policy norms are now diverse and in some cases heavily influenced by Western practices, and extra-regional factors such as globalization and the US military presence play important roles in regional politics and economics. Nobody would be so naive as to expect the return of a Sinocentric tributary order, if such a “Chinese world order” (Fairbank 1968) ever accurately captures the realities of historical East Asian politics.

Second, the past does not offer straightforward lessons because China’s historical statecraft was informed not by one but several traditions simultaneously (Hunt 1984). Many Chinese scholars believe that China had a dominant tradition of Confucian pacifism. This is incorrect and parochial. Confucianism promotes morality and benevolence, yet Legalism emphasizes the importance of power and punishment, and these are just two among China’s many schools of thoughts developed in the ancient Chinese world. Sometimes China displayed a pacifistic approach in foreign affairs, yet during other periods China appeared highly opportunistic in realizing its self-interest through power politics. At times China appeared to be a factor for peace in East Asia, yet often it also disrupted regional stability. Will contemporary China be peaceful? Will it seek hegemony and domination in East Asia? No useful answer can be given to such simplistic questions because from a historical perspective, there was simply no single pattern of Chinese foreign policy. As Victoria Hui has pointed out, the coexistence of realpolitik and idealpolitik impulses in traditional Chinese foreign policy makes any simple linear projection from China’s past to the future misguided (Hui 2008, 63).

History, however, can offer useful perspectives if historical reasoning is used with caution. It can, for example, suggest clues for thinking about the question of socialization in Chinese foreign policy. The above historical analysis shows that early Ming rulers tried to initiate tributary relations with foreign countries by reminding them of tributary norms and persuading them of Chinese superiority. Such socialization by way of persuasion stemmed out of the domestic political linkage between legitimacy needs and their Sinocentric identity. Early Ming emperors tried in varying degrees to convince foreign rulers of China’s centrality and superiority and of the “moral correctness” for them to pay tribute. This was first of all a matter of foreign recognition of the founding of a new regime in China—and extremely important given the fact that Hongwu established his rule through a violent struggle with the Mongol Yuan and that Yongle in fact usurped the throne from the legitimate Jianwen emperor. In some cases the recognition game went longer and deeper. In Sino–Korean relations, for example, Hongwu tried to sever Korea’s relations with the Northern Yuan and only succeeded in the late 1380s.
One question we might ask about the People’s Republic of China (PRC) is therefore: What are the domestic linkages between the needs of the PRC regime and its identity conceptions that might lead to socialization efforts in its foreign policy? Socialization is not merely persuasion; persuasion is a strategy or mechanism that might lead to a high degree of socialization. Successful socialization must result in the internalization of values, roles, and understandings among the targets of socialization so that they assume a “taken-for-grantedness” (Johnston 2008, 21–22).

In the post-Cold War world Beijing has been trying to persuade other countries that it is a force for stability and prosperity in East Asia. Although initially regional institutions such as the ASEAN Regional Forum are where China has been socialized, the socialization effects may work both ways—ASEAN states may be changed by China’s participation as well (Ba 2006, 162). It increasingly appears that China is trying to socialize other countries into accepting its role as a responsible and peaceful great power by offering political and economic cooperation in “ASEAN plus” institutions and by taking an active stance in diplomatic initiatives such as the Six Party Talks. In the Shanghai Cooperation Organization and to a lesser extent the East Asian Summit, China has taken a leading role in facilitating regional initiatives.

Surely policies in these areas are motivated by a variety of considerations; the link between socialization and identity is nevertheless important. A key question for future Chinese foreign policy is how the identity of a “responsible great power” might shape China’s socialization attempts and influence its overall foreign policy evolution. If the discourse of “responsible great power” is no cheap talk (as it appears for the time being), it ought to have important behavioral implications. Given the awareness that the PRC has elicited suspicion and fear among its neighbors in the past and that its rising power is again causing anxieties in the region, Chinese leaders might initiate more socialization attempts to alleviate these concerns. As yet we know little about what a “responsible great power” identity actually means and how it might manifest itself in foreign policy behavior. Indeed, the Chinese themselves are trying to figure out how China as responsible great power ought to behave in the international arena.

Socialization might become an increasingly prominent aspect of Chinese foreign policy in another important sense having directly to do with its history. As China’s power continues to grow, the recent past of the so-called “century of humiliation” will have less relevance for its foreign policy than the more distant past of imperial glory. Indeed, Chinese analysts have for several years been calling for a “great power mentality” to replace the “victim mentality.” Michael Hunt speculated long ago that “The rise in appeal of the imperial past seems likely to happen in any case, for it offers the only indigenous benchmark for measuring progress toward a position of restored national power and pride” (Hunt 1984, 38).

If the influence of the imperial past has not been readily observable in Chinese foreign policy behavior, it has already manifested itself in scholarly and
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popular discourse. Some Chinese scholars have already called for reexamining China’s past and preparing for China’s growing role in international affairs in the contemporary world by drawing lessons from the past. The past they are talking about is no longer the “century of humiliation.” Indeed, according to one analyst, the “century of humiliation” is but an aberration from the normal trajectory of Chinese history, mystified all the more by Eurocentric perspectives since the late nineteenth century (Xiang 2007). According to the philosopher Zhao Tingyang (2005), who wrote a popular book that fascinated China’s international relations scholars, the historical East Asian order centering on China provides an almost perfect model for the future world order. It is argued that compared with Western ideas, traditional Chinese thought, by virtue of its emphasis on peace and harmony, is a superior source for thinking about the future world order. These scholars are now calling for the Chinese to “rethink China,” to start an ideological debate with the West, and to think about how China can contribute to the making of the future world order.

Admittedly many substantive arguments these scholars make can be challenged for various reasons. As mentioned, harmony is not the only feature in traditional Chinese culture, nor is peace in traditional Chinese foreign policy. The alleged Chinese superiority in these areas in the imperial past may be just as much myth as Chinese “inferiority” since the mid-nineteenth century. Yet the significance of their arguments lies not so much in their validity as in how they, embedded in a network of knowledge production in the Chinese intellectual community, might be able to influence official foreign policy ideas (Callahan 2008). As Chinese elites reexamine history and evaluate contemporary situations, they will increasingly see China as possessing a distinctive, if not always superior, set of history, culture, and value for the management of international affairs. As a result, we can expect to see more Chinese socialization about Chinese approaches in managing regional and international issues. As Chinese foreign policy becomes more proactive, so will its socialization attempts in a variety of institutional settings.

Meanwhile, of course, other countries and non-state actors will continue to try socializing and persuading China to behave more to their liking. These countries will want to see China become a “responsible great power.” And since China has already declared its intention to become a “responsible great power,” the question becomes where and how these conceptions of China as a “responsible great power” differ and converge. In the coming years, we will likely see an interesting pattern of increasing adjustment and adaptation of the different “worldviews” in the interactions between China and other countries.

Conclusion

Chinese rulers in imperial times tried to socialize foreign rulers into accepting their centrality and superiority in the surrounding world and construct a sinocentric world order. Socialization and persuasion is not the only aspect of imperial Chinese
foreign policy. In the early Ming Chinese rulers also employed the strategies of war, blackmail, and inducement. But socialization was always present because it grew out of the domestic political linkage between legitimacy needs and the sinocentric identity. Thinking about socialization in contemporary Chinese foreign policy, one can begin by considering how the identity of contemporary China might lead to distinctive socialization attempts. History’s relevance is in providing sources for the construction of an evolving Chinese identity in the contemporary world.

As Chinese power continues to grow, as Chinese foreign policy becomes more proactive, and as China replaces the “victim mentality” with a “great power mentality,” socialization will become an increasingly prominent aspect in its foreign policy. Such socialization will of course no longer be about sinocentrism. We have no way of knowing its exact content since China’s national identity will continue to evolve in the twenty-first century. What we can be sure, however, is that China will increasingly advance its own distinctive worldviews on international affairs and will no longer be content with simply being socialized by other actors in the international system.
Chapter 3
A Concealed Regionalization without Historical Roots: A New Form of Regionalism in Rising China’s Foreign Policy

Sheng Ding

Introduction

Empirical studies of regionalism usually focus on Europe’s economic integration. Rarely are other regions studied in the “classic” works of regionalism. During the last two decades, the accelerated process of globalization has gradually dismantled the traditional regional blocs established during the Cold War, and led to more outward-looking and flexible forms of regional cooperation and integration. In the post-Cold War international system, nation-states have often lacked resources to address sufficiently the opportunities and challenges posed by globalization. Many of them are willing to organize regional groups and pool their strengths, resources, and preferences together (Dent 2008, 16). Compared to traditional theories, the new forms of regionalism study pay more attention not only to the important roles of socio-cultural factors and multilateral institutions, but also to some unconventional players in the regionalization of global politics. Given its long history of Sinocentric foreign relations and currently growing national power, China is an ideal case in the study of new forms of regionalism. Does China embrace regionalism in its foreign policies? What role has China played in the regionalization of global politics? What are the policy implications of China’s regionalization on other countries? These questions have received increasingly more attention in both the academia and in the policy world.

Chinese foreign policy was, during most of its history, one of solitude. Ancient China had never regarded its relations with other nations as state-to-state relations between equals, but as a lord-vassal relationship (see Chapter 2). China’s self-image as the undisputed center of human civilization had remained fundamentally unchanged until the end of Qing Dynasty in the early twentieth century. Therefore, Chinese foreign policy has rarely been mentioned by those classic works of traditional regionalism. During the last three decades, while China has achieved commendable progress in its economic modernization, it is striving to increase its interaction and cooperation with many other countries around the world. Given that
new forms of regionalism have replaced traditional regionalism, can the substance and style of Chinese foreign policy be explained by new regionalism theories? As indicated in Chapter 1, China has probably become the most prominent actor that has availed itself of the disintegration of the single world order of Cold War bipolarity and has proceeded to advance its distinct attitudes in the complexity of inter-regional global politics. Indeed, China’s growing influence and its related policy implications have become increasingly important for world peace and development. Based on historical review and qualitative analysis, this chapter examines a new form of regionalism employed by a rising China.

Regionalization without historical roots: Pre-reform China’s worldviews

China’s long history as one of the world’s oldest and richest civilizations has affected its ancient foreign relations in various ways. First, the ancient Middle Kingdom enjoyed unchallenged economic self-sufficiency for many centuries, which gave no impetus to ancient Chinese rulers to develop foreign commerce. Second, ancient China had always seen itself as the cultural center of the universe, and viewed non-Chinese ethnic groups as uncivilized “barbarians.” Although China was invaded or even ruled by those so-called barbarians from time to time, those barbarians had ordinarily been socialized into Chinese cultural values and political institutions to maintain a continuity of Chinese traditions. Third, each ancient Chinese emperor believed he was the ruler of all humankind by virtue of his innate superiority and viewed external states as subordinates. Labeled as Sinocentrism, such a worldview impacted in important ways China’s foreign relations.

For many centuries, ancient China’s national security priority was simply to keep the so-called barbarians outside China’s borders. The continuous construction of the Great Wall began as early as the third century BCE in order to defend against the raids of nomadic tribes. Since the beginning of the Song dynasty (960–1279CE), which was famous for its conservative neo-Confucianism, Chinese rulers had become increasingly isolationist. So-called foreign relations in ancient China primarily consisted of other nations, sending tributary missions to the Chinese court in hopes of establishing a political or trade relationship with the Middle Kingdom. The first Europeans who sought trade with China in the sixteenth century were received as tributary missions and required to conform to the formalities and rituals of the tribute system at the Chinese court. Overall, ancient China’s Sinocentric worldview and its history of self-sufficiency led to its lack of interest in forming any interstate associations or groupings. Ancient Chinese rulers did not believe their empire would benefit from establishing explicit regional arrangements with its neighboring states.

In China’s modern history (1840–1949), when its closed door was forced to open to Western gunboat diplomacy, China’s traditionally isolationist foreign strategy gave way to reluctant interactions with the outside world. The traditional
Chinese mentality of viewing itself as the Middle Kingdom was gradually replaced by a new mentality. As Chen Jian observed, many Chinese felt that their nation’s experience in modern history was more humiliating and less tolerable than that of any other victimized non-Western country in the world (Chen 2001, 12). China’s 110-years-long modern history of foreign relations has strong legacies for the foreign policies of contemporary China. For example, many Chinese nationalist and communist political leaders such as Chiang Kai-shek and Mao Zedong had never trusted foreign powers even if they asked for their help from time to time. Mao adopted the foreign strategy of “leaning to one side” in the Sino–Soviet alliance of the 1950s against the threat of so-called American imperialism; and then made rapprochement with the United States in the 1970s to counteract the threat of so-called Soviet revisionism, which Mao perceived as a more dangerous threat at that time.

With such new mentality, Mao’s foreign policies were often framed in controversial terms, with political ideology as a dominant factor. Mao and his associates believed that the world was still in the era of proletarian revolution, and that the people of the world must unite to fight against what they saw as imperialism, revisionism, and other antirevolutionary influences in the world. Thus, Mao’s China made broader efforts to foster armed struggle and revolution against the imperialism and revisionism. This was especially the case in the 1960s when the radicalization of Chinese foreign policy led to China’s worldwide sponsorship of national liberation movements. In Mao’s era, Chinese foreign policy toward developing countries was characterized by both massive foreign aid and “exporting” revolution. The growing number of the decolonized states in Asia, Africa, and Latin America provided crucial diplomatic support for Mao’s China, which was isolated and contained by both the Western countries and the Soviet Union in the 1960s and 1970s. Many newly independent countries were regarded by China as “brothers in the Third World” and they helped carry communist China into the United Nations in 1971. Beijing spent tremendous resources supporting revolutionary forces where no immediate economic, military, or political interest was at stake. For Mao and his comrades, China’s foreign policy goal was not the expansion of China’s political and military control of foreign territory and resources, but simply to boost its credentials. Thus, Mao’s foreign strategy cannot be associated with any form of regionalism.

Although China’s historical legacy has contributed to its tendency towards isolationism, there have been a few exceptions as foreign policies changed from dynasty to dynasty. For example, in its cosmopolitan periods like the Tang (618–907CE) and Yuan (1271–1368) dynasties, Chinese emperors implemented “open door” policies. During those imperial periods, foreigners were allowed to not only live in the country but also to serve the government, and foreign trade and cultural exchanges were greatly encouraged. The most obvious exception to China’s isolationism were a series of maritime voyages made in the early Ming dynasty (1368–1644). Ming Emperor Yongle dispatched Zhen He and sixty-three vessels to the Indian Ocean in seven waves. Those voyages, reaching as far as the
eastern coast of Africa and the entrance to the Red Sea, took Zhen He to more than thirty countries and regions. These sporadic “open door” policies were adopted by ancient Chinese rulers to show their authoritative and benevolent images to those so-called vassals surrounding the Chinese empire. Obviously, before it implemented its “reform and opening door” policies in the late 1970s, China had never embraced regionalism in its foreign policies. The claim then is that there were no historical roots of regionalization in ancient Chinese worldviews.

From a hermit to a lodestone: China’s embrace of regionalism

Since the end of the Cold War, regionalization has gradually become a primary feature of global politics. On the one hand, many regional groups have been established such as the ten-member Association of Southeast Asian Nations (ASEAN) and the 21-member Asia–Pacific Economic Cooperation forum (APEC), among others. On the other hand, the interactions among different regionalizations have become more and more institutionalized. For example, the Asia–Europe Meeting (ASEM) was established in 1996 as the main multilateral channel for communication and dialogue between Asia and Europe. In a number of those initiatives, China has become an increasingly active and influential actor due to its growing economic prowess and more flexible and pragmatic foreign policies.

China has moved from rejection of the international status quo to gradual acceptance since it initiated contacts with the United States and succeeded in its entry into the United Nations in the early 1970s. In accordance with its “reform and opening up” agenda, China’s post-Mao leaders have adopted a less confrontational, more sophisticated and confident, and, at times, more constructive approach toward regional and global affairs (Medeiros and Fravel 2003, 22–35). According to Yong Deng, China started to seriously consider joining regional institutions in the 1980s (Deng 2008, 200). Beijing began to see institutional involvement as an essential part of China’s foreign strategy of obtaining a peaceful international environment for its economic construction in the early 1990s. On this background, China has embraced regionalization as one of its new foreign strategies, which will help lead to China’s peaceful rise. Not only has regionalization been called forth to buttress China’s economic and military security, but it has also been employed as a useful outreach channel to address any anxieties and concerns over China’s rise. From Sinocentric views of world order to an integral member of important regionalization processes, such strategic change of Chinese foreign policy deserves attention.

Unlike Mao’s ideology-oriented foreign policies, the post-Mao Chinese policymakers emphasize that the differences among social systems and ideologies should not be weighted in China’s foreign policymaking process. Obviously taking the lessons from its foreign relations in the Mao era, they decided to adjust its guidelines, deal with its foreign relations more prudently and pragmatically, and call for the establishment of a new international order. Although these initiatives
were first put forward by Deng in the early 1980s, they have been fully accepted and further developed by his successors. With the new guidelines for foreign policy in place in the 1980s and 1990s, Beijing made great progress in developing post-Mao foreign relations, despite a few missteps along the way. Not only has China created a stable regional environment in East Asia for its economic development, but it also continuously and creatively furthers its “opening-up” agenda on the world stage. During the last two decades, China’s approaches to bilateral relations, multilateral organizations, and security issues have reflected new flexibility and sophistication of China’s regionalization, which aims at improving its national image, promoting its economic interests, and enhancing its national security.

As it has made rapid progress in its modernization process, China’s ascendancy has aroused increased attention from many other countries. Acutely aware of the anxiety and uncertainty among other countries toward its rising power and policy orientations, Beijing has continuously made its guidelines of foreign policy public. These guidelines include: (1) “Five Principles of Peaceful Coexistence;” (2) “win-win” economic cooperation; (3) greater dialogue, the promotion of trust, and the peaceful settlement of disputes; and (4) the concept of “peaceful development.” These guidelines have provided China’s visions and expectations for the regionalization of global politics. As the current Chinese President Hu Jintao pronounced,

Persisting in building good-neighborly relationships and partnerships with the neighboring countries, we pursue a policy of bringing harmony, security, and prosperity to neighbors and dedicate ourselves to strengthening mutual trust and cooperation with the fellow Asian countries, easing up hot spot tensions, and striving to maintain peace and tranquility in Asia. (Hu 2004)

The potentially explosive dimensions of regionalization have required China to change many of its Maoist practices in both domestic and foreign affairs. For example, Beijing has become more and more dependent on multilateral organizations to deal with security issues such as the North Korea nuclear issue and the threat of terrorism related to the Uighur independence movement in Xinjiang. A recent example is that Beijing had to change its attitudes on the issue of the Darfur genocide while there was an increasingly stronger international campaign to boycott the Beijing Olympic Games because of Beijing’s support to the Sudanese government. From various perspectives, China has moved towards embracing flexibility and pragmatism in its substance and style of foreign policy, shifting away from the cognitive rigidity and dogmatism that characterized China’s foreign policies in Mao’s era. Obviously, Beijing policymakers believe that regionalization will help reassure other countries that a rising China will not become a revisionist power. As observed by Robert Sutter, Chinese leaders reviewed the negative experiences of China’s past confrontations with neighbors and other powers, and the negative experiences of earlier rising powers, and
concluded that China cannot reach its goal of economic modernization through confrontation and conflict (Sutter 2005, 266).

Furthermore, Beijing has been making more efforts to comply with international norms. According to Randall Peerenboom’s study on China’s human rights record, Beijing is a meaningful participant in the international human rights regime, although its scores on civil and political rights still remain low. For example, besides its ratification of over twenty human rights treaties, China has actively participated in the international human rights regime by submitting reports, participating in the drafting of new instruments, engaging in numerous multilateral, regional, and bilateral dialogues on rights issues, and hosting a number of important regional and global human rights meetings (Peerenboom 2007, 83). Meanwhile, China’s membership in international organizations has increased dramatically. Since the mid-1990s, China has not only enhanced its participation in various Asian multilateral arrangements, but has also become an active player in dealing with many important global issues. For instance, Beijing has taken a more active attitude toward participating in UN-peacekeeping missions. Until the mid-1990s, China had regularly abstained from UNSC resolutions that would authorize the use of force. In recent years, however, China has begun to support some peacekeeping resolutions and increased its participation in peacekeeping operations. By the end of 2003, China had contributed more than 2,000 troops to participate in eleven UN missions.

China’s new engagements with regionalization and globalization are comprehensive. In many other fields, China is becoming more sophisticated in the substance and style of its foreign policies. An obvious example is that Beijing has shown growing interest in its participation in some high-profile meetings. Just a few years ago, the Chinese government called the G-8 Summit—the “Rich Country Club.” In 2005, however, China became the Chair of the G-20. Under Chinese chairmanship, development and growth took on a higher priority of the work program of G-20. For example, the 2005 meeting of G-20 finance ministers and governors of the central bank issued a statement on global development in which they underscored the diversity of growth models, and committed themselves to strengthening the dialogue on development philosophies, strategies, and policies, from which all countries can benefit. In the most recent G-20 Summit in London, China has reticently embodied the “savior” role in the global economic crisis and has successfully placed pressure on Western countries for financial reforms.

A concealed regionalization: China’s outreach in the global south

Since it adopted “reform and opening up” policies at the end of 1970s, Chinese foreign policies have become increasingly more pragmatic. Instead of indulging in a symbolic champion-of-the-Third-World behavior, China promotes its national interest in its regionalization. In this milieu, its neighboring countries and the developing countries in Africa and Latin America have become the frontline of the
global politics of China’s regionalization. As the international structure went through a series of dramatic changes in the post-Cold War period, the “old friendship” between China and the developing countries has regained new momentum. On the one hand, China has paid more attention to the developing world in both economic and political terms, and made a series of efforts to reestablish its comprehensive relationship with those “old friends” in Asia, Africa, and Latin America. On the other hand, many developing countries, especially those overlooked by Western actors or marginalized by the existing international system, have looked to the rise of China as an “opportunity,” and are attracted by the idea that a powerful China will help transform the current world order into a more equitable one.

In this respect, in comparison with Western modes of region-building, Beijing’s regionalization has been concealed within the “Chinese characteristics” of its new foreign policy approaches. First, China’s regionalism has never pursued any political or military alliance to challenge any other great (or regional) power. Secondly, almost all of China’s regionalizations have been established on the foundations of economic cooperation and free trade. Thirdly, China has insisted on the principles of state sovereignty and territorial integrity in its regionalism. Finally, China has always positioned itself as a developing country and focused on its regionalization in the Global South. By embracing multilateralism and extending its economic ties and cultural connections with other countries, China’s regionalism breaks from the Maoist style of power politics. The following section discusses the new forms of China’s regionalization in the Global South.

China’s “no bull” regionalization in East Asia

The geopolitical importance of East Asia has never subsided in China’s strategic considerations throughout its history. In ancient times, the rulers of imperial China had always regarded both Northeast Asia and Southeast Asia as its domains of influence, and saw them as important parts of its tributary system. Throughout the Cold War, Beijing foreign policymakers believed that East Asia was used by China’s enemies as an important base to contain or threaten it. In fact, from the 1950s to the 1980s, two superpowers—the USA and the USSR—had consecutively maintained their strong military presence in Southeast Asia. Therefore, Mao and his associates regarded East Asia as a critical battleground for safeguarding China’s national security. While China made its strategic departure from its “Middle Kingdom” mentality and self-reliant national strategy after the end of the Cold War, East Asian countries have become Beijing’s increasingly important economic partners and regional security stakeholders. In this context, East Asia has become the most important region in China’s regionalism.

Whatever Beijing is naming its power strategy, the rise of China has inevitably made its neighboring countries in East Asia suspicious that China might attempt to restore its imperial regional order. Such suspicions are justified for many reasons: (1) China has a special geopolitical location—an “Asian Colossus” surrounded by many much smaller but defiant neighbors; (2) China used to have territorial
disputes with almost all neighboring countries in Asia; (3) the long history shared by China and its East Asian neighbors added a new level of complexity to China’s foreign policies in East Asia; and (4) as a poor country in the Mao era, China did not have economic leverages to deal with its Asian neighbors and had to pursue an ideological foreign policy. As China’s East Asian neighbors grow increasingly concerned about the impact of China’s rise, Beijing has actively reached out, offering its “smile diplomacy” to defuse the concerns about Beijing’s long-term intentions as a rising power in East Asia. According to David Shambaugh, China’s efforts to improve its ties with ASEAN represent the fundamental compromises that China has chosen to make in limiting its own sovereign interests for the sake of engagement in multilateral frameworks and pursuit of greater regional interdependence (Shambaugh 2004, 64–99).

As a regional power in East Asia, China is playing an active role in promoting regional peace and development. Starting in the second half of the 1990s, China began to hold annual meetings with senior officials from the ASEAN countries. In 1997, China helped initiate the “ASEAN+3” mechanism, a series of yearly meetings among the ten ASEAN countries plus China, Japan, and South Korea. Next came the “ASEAN+1” mechanism, annual meetings between ASEAN and China, usually headed by the Chinese Premier. China also deepened its participation in APEC, hosting its ninth leaders’ meeting in Shanghai in 2001. At the 2003 ASEAN summit, China formally proposed the establishment of a new security mechanism under the rubric of ASEAN Regional Forum (ARF). Furthermore, Beijing took the lead in transforming the “ASEAN+3” mechanism into the East Asian Summit (EAS). The first EAS meeting was held in Kuala Lumpur in 2005, with possible additional countries, like India, Australia, and New Zealand, joining in, but excluding the United States.

Another instance is China diplomatic engagement with the North Korean nuclear crisis. Beijing unfurled a vigorous shuttle diplomacy in the “Six-Party Talks,” which won it the accolade of Washington, Seoul, and Tokyo. China has worked capably to win the confidence of all the parties involved and make itself a central player in Northeast Asian diplomacy. Some commentators observe that China has its own vision for regional relations, which differs considerably from the existing structure. In this view, Beijing—as a key designer and agenda-setter—is intent on eliminating various bilateral alliances, which it views as a holdover from the Cold War era, and initiate a multilateral security framework (Glosserman 2004).

Through emphasizing common challenges and mutual interests, and putting aside political differences and bilateral disputes, China’s regionalization in East Asia has achieved many desired policy outcomes. In November 2002, at the end of the sixth China-ASEAN Summit, China and ASEAN signed the “Declaration on the Conduct of Parties in the South China Sea.” This signaled China’s willingness to ease its security concerns via multilateral diplomatic efforts. China has also joined ASEAN’s “Treaty of Amity and Cooperation,” committing all signatories to peaceful solutions of conflicts. In recent years, the border disputes between
China and Indochina countries have also been solved gradually. In the field of economic cooperation, Beijing has become the leading trade partner of ASEAN and South Korea. Since 2003, China has persisted in accounting for 80 percent of Japan’s export growth. China’s promise of continued investment in Southeast Asian countries and its call for a free-market zone in Asia by 2010 further strengthens its role as a hub of regional economic development and a leading country in East Asia. China’s rising international status and efficient regionalization mean that it is no longer prohibitively expensive for American allies or friends in the region to (in essence) “defect” from Washington’s umbrella.

The more China pushes its “No Bull” regionalization in East Asia, the more fortuitous diplomatic achievements China can make. Since the outbreak of the Asian financial crisis in 1997, the last twelve years is really a banner time for Beijing’s diplomacy in Southeast Asia. Southeast Asian countries have witnessed a major perceptual change regarding China, from what was dubbed a “China threat” in many perspectives just a few years ago to a “friendly elephant” with ample opportunities. As Beijing’s influence continues to grow, Southeast Asian countries are either looking to Beijing for regional leadership or taking account of Beijing’s interests and concerns in their decision-making process. Strong economic interdependence between Beijing and East Asian countries has already affected the Asian countries’ policies toward Taiwan. Today, almost all East Asian countries as well as Australia and New Zealand have become the unquestionable supporter of Beijing’s “One China Policy.”

China’s “no strings” regionalization in Africa

China’s presence in Africa has been consistent since the early 1960s (see Chapter 13). In the 1950s and 1960s, China had a strong interest in building ideological solidarity with newly independent African countries to advance Chinese-style communism and repel the dominance of two superpowers over world politics. China’s similar historical tragedy as a colonized country and its generous foreign aid had won many African friends. Besides its rhetorical policy objectives like “anti-colonialism, anti-imperialism, and anti-revisionism,” China’s African policy in the Mao era had another important foreign policy goal—competing with Taiwan for international influence and diplomatic recognition. China aimed at shoring up votes for the eventual rejection of Taiwan’s China seat at the United Nations.

In the post-Cold War era, Africa is no longer considered a strategic concern by Western actors. In this context, China has launched round after round of diplomatic offensives toward Africa. For example, in 2006 alone, there were five major diplomatic events in Beijing’s diplomacy toward Africa. From 11 to 29 January, the Chinese Foreign Minister kicked off a tour to Cape Verde, Senegal, Mali, Liberia, Nigeria, and Libya. On 12 January, the Chinese Government released China’s first ever official policy paper on Africa. From 24 to 29 April, President Hu Jintao visited Morocco, Nigeria, and Kenya. From 17 to 24 June, Premier Wen Jiabao toured Egypt, Ghana, Republic of the Congo, Angola, South
Africas, Tanzania, and Uganda. In November, Beijing rolled out the red carpet for up to fifty heads of African states as it hosted a summit to celebrate fifty years of diplomatic relations between China and African countries. China’s regionalization in Africa focuses on intensive diplomatic campaigns and economic cooperation on the basis of respecting the principle of state sovereignty and not imposing any political preconditions—a “no strings” strategy.

China’s regionalization in Africa treats regional countries as equal partner and focuses on economic cooperation and cultural exchange. Rarely has China used its growing economic clout to interfere with African countries’ domestic affairs. China is also very sophisticated in using international aid and direct investment to push its regionalization objectives in Africa. Compared to traditional foreign aid, which is often diverted into elites’ pockets, Beijing’s financial support has been mainly provided to some iconic infrastructure projects, from new parliament buildings and conference centers to football stadiums and school buildings. These infrastructure projects will benefit the African people for the long term. More importantly, unlike the foreign aid from Western countries, Beijing’s help came without preconditions. Beijing has also provided such African countries as Ethiopia and Angola with necessary loans, technology, and equipment, which are badly needed by those countries in their post-civil war economic reconstruction. Also according to a news report, not only did China design, build, and launch satellites for developing countries like Nigeria, but it also provided a huge loan to help them pay the bill. China’s foreign investments in Africa are a blend of pursuing business interests and providing foreign aid that is based on mutual benefits. It will not only break into Africa’s satellite markets controlled by the Western countries, but also establish a favorable national image—“an old and true friend of African people.”

Besides economic cooperation, various forms of cultural diplomacy have served to pioneer China’s regionalization in Africa. For example, by October 2006, China had sent 16,000 medical personnel to 47 African countries and they have treated 240 million patients. Beijing employs very active approaches to communicate with the African people directly. China Radio International launched its FM station in the Kenyan capital on 27 February 2006. The station is transmitting 19 hours of programs in English, Kiswahili (the language widely spoken in East Africa), and Mandarin Chinese. Accompanying China’s growing economic presence in Africa, Mandarin Chinese has become an increasingly popular foreign language in Africa. So far China has set up three Confucius Institutes in Africa. Due to the extensive financial support from the Chinese government, hundreds of young African students come to China to study abroad. According to Beijing’s official paper, China’s African Policy, by the end of 2005, China had offered over 18,000 governmental scholarships to African students, signed 65 cultural agreements with African countries and implemented 151 plans of cultural exchanges. Such policies of winning people’s “minds and hearts” will help China’s regionalization in Africa in the long term.
China’s “win-win” regionalization in Latin America

The relationship between China and the Latin America countries was mostly limited to rhetorical diplomatic support and ideological exchanges in the Mao era (see Chapter 14). Since the mid-1990s, the bilateral relationship between China and Latin American countries has developed exponentially after Beijing embarked on an aggressive foreign trade policy. In this milieu, China has made some progress in its regionalization in Latin America. In 2000, the bilateral trade volume was $2 billion, and in 2005 exceeded $7 billion. Guided by Beijing’s “go abroad” strategy, hundreds of Chinese companies have flocked into Latin America for various reasons. Within China’s $5.5 billion overseas investment in 2004, 32 percent or $1.76 billion went to Latin America. Beijing has promised that it will increase its investments in the Latin America countries to at least $100 billion by 2015. Some Chinese companies have invested in Latin America to ensure a steady and long-term supply of raw materials and agricultural products; some did it for local market potentials; some others have their eye on nearby markets like the United States. According to a recent news report, China is stepping into Latin America vigorously, offering countries across the region substantial financial assistance while they struggle with sharply slowing economies, a plunge in commodity prices, and restricted access to credit. As of 17 April 2009, China has totaled up $45-billion-value loan-for-oil deals in 2009, including $10 billion deal with Brazil and $4 billion deal with Venezuela. China has recently provided $10 billion loan to Argentina, which would allow Argentina reliable access to Chinese currency to help pay for imports from China. It may also help lead the way to China’s currency to eventually be used as an alternate reserve currency (Romero and Barrionuevo 2009).

China has become a principal consumer of food, minerals, and other primary products from Latin America, benefiting principally the commodity-producing countries in the region. Such a close economic relationship was built on the basis of China’s “win-win” regionalization in Latin America. First of all, China’s economic achievement and its related development model with Chinese characteristics have been found very attractive in many Latin American countries. Second, both Beijing’s policymakers and Latin American leaders have exhibited strong political will to improve their bilateral relationship. Third, China has always insisted on one principle—economic cooperation without political interference. Those alarmed by Beijing’s growing presence in the region have labeled such moves as “China’s encroachment on America’s backyard” or “the beginning of the ‘Sinicization’ of Latin America” (Jiang 2006). At the same time, China has not shown any interest in forging a political alliance to challenge Washington’s dominance (Kozloff 2007).
Conclusions: The weaknesses and limits of China’s regionalization

Based on the above historical review and empirical discussion, it can be concluded that regionalism has become a new strategy in a rising China’s foreign policies. Not only have Beijing policymakers started to embrace this strategy, but also many new policy initiatives have been put into practice. To various extents, China has implemented its regionalism efficiently and achieved its desired policy outcomes in the Global South. However, some Chinese officials and scholars remain concerned by this new strategy of regionalization. Many often use the term *double-edged sword* to describe China’s involvements in the regionalization of world politics. Although China initially accepted greater interdependence largely out of economic necessity early in the reform era, China’s political elites clearly recognize that, if mishandled, the transformative forces of regionalization could derail China’s quest for great-power status. In this respect, there are some weaknesses and limits which may hamper China’s regionalization of global politics.

First, China’s regionalism has to face some structural constraints in the current international system which has not yet become a multipolar one. Although China’s national power has ascended quickly, it is still lagging behind the USA. As a latecomer to the current international political and economic systems, China is aware that it is a suitor rather than a rule-setter in many fields of global governance. In some cases, China’s inability to alter those rules to match its national interests could reinforce the perception that the international system is structured to favor the agenda and interests of the West. This perception still has traction in Beijing. For instance Saich (2001, 275) points out that “the Party’s own legacy of distrust and betrayal, and leaders’ tendency to interpret decision-making in terms of a ‘zero-sum’ game mitigate against constructive engagement and interaction with existing international governance structures.” Sometimes, China’s ambivalence about the current international governance structure and lack of understanding of international norms has generated contradictions in the substance and style of its regionalization.

Secondly, China has made efforts to integrate itself into many regional communities, but its increased participation may not necessarily be a reliable indicator of the state’s cooperative and responsible behavior. While a state assumes an active role in international affairs, it may still violate the prescriptions of these institutions. Therefore, what matters more is China’s compliance with the rules, norms, and goals of these regional groups or international organizations. According to Alastair Iain Johnston, China’s compliance with major international normative regimes can be evaluated from the following five perspectives: sovereignty, free trade, nonproliferation and arms control, national self-determination, and human rights. China’s compliance with international normative regimes varies from “poor” or “fair” (human rights) to “good” or “excellent” (free trade and sovereignty). It is ranked fair in areas of nonproliferation and national self-determination (Johnston 2003, 5–56). Generally speaking, Beijing is more willing to participate in a broad array of regional or international regimes that govern less politically sensitive
issues like international economy and foreign trade, but is least enthusiastic about those regional arrangement that may concern (what Chinese leaders call) the “domestic politics” of states.

More importantly, some traditional diplomatic dispute, such as Taiwan and Tibet, and some new foreign policy issue like energy security have become unstable factors in China’s regionalization of global politics. In the last six decades, China has never hesitated to wield its economic and military power to punish those countries that show sympathy toward Taiwan or the other separatist movements in mainland China. One extreme example was China’s unpopular veto (in February 1999) in the UN Security Council against the deployment of a peacekeeping force in Macedonia, which had switched its diplomatic recognition from Beijing to Taiwan in January 1999. Such occasional incidents not only remind the international community of Chinese history of ideology-dominated foreign policy in the Mao era, but also indicate that the Taiwan issue will remain one of the weakest links in China’s regionalization (see Chapter 15). Furthermore, China’s economic development dramatically increases its appetite for overseas oil. The issue of energy security has gradually weighed in Chinese foreign policies. Since 2004, China has become the world’s second-largest oil importer. While it is seeking to employ regionalism to loosen Washington’s grip on world energy resources, China may have overplayed the card of regionalization. China has been widely criticized for its willingness to reach energy deals with some notorious regimes. Such foreign policies will not only increase the tensions between China and other major powers, but also disrupt Beijing’s efforts to establish a favorable national image through the global politics of its regionalization strategy.
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Chapter 4
China’s Regionalization Policies: Illiberal Internationalism or Neo-Mencian Benevolence?
Jeremy Paltiel

Introduction

The discussion of Chinese attitudes and behavior in regionalization policies must be placed in the context of Chinese attitudes and behavior towards multilateral organizations. China borders on fourteen countries, and has the second longest land frontier of any state. It sits at the core of the Asian continent, and has traditionally dominated East Asia, culturally and economically in an arc that runs from Korea and Japan in the north to Vietnam and Siam (Thailand) in the South. In the Southwest, China has both drawn from the Hindu civilization of India through Buddhism, and in the Northwest, China borders the Islamic civilizations of Central and West Asia, while incorporating millions of Islamic faithful, both Chinese and non-Chinese speaking. Long-standing security concerns with the nomadic peoples of the desert steppes of the north and northwest have evolved a distinctive pattern of relationships along what Lattimore (1951) called “the Inner-Asian frontier.” Chinese dominance of peripheral areas waxed and waned with the military and organizational strength of successive dynasties. However, what did not change was the distinctive Chinese confidence in the coherence of its own civilization and the irrelevance of negotiating its identity with near neighbors. It never “belonged” to any region; instead, it was the centre of its own civilization. The very idea of sovereign equality was alien to the Chinese identity (Paltiel 2007).

Modern efforts at constructing a regional identity were tainted by Japanese imperialism (the Greater East Asia Co-Prosperity Sphere) and the competitive cleavages imposed by the Cold War (Schaller 1985). Where the post-war settlement reinforced the common identity of Western Europe and created overlapping economic and security interests that led to the “uniting of Europe,” the Cold War alliance structure of East Asia consisted of hub and spoke bilateral relationships centered on the USA side by side with China playing a pivotal role in a triangular relationship with Washington and Moscow (Mastanduno 2002). Long-standing civilizational and trade ties were cleaved asunder by economic blockades and ideological affinities. Early efforts for Asian regionalism were designed to exclude China rather than include it in regional arrangements.
While efforts at Asian regionalism could begin again once China aligned itself with the USA in the latter phase of the Cold War, it was really only after the collapse of the Soviet Union that Asian regionalism took off in earnest. Even today, regional integration is hampered by lingering Cold War divisions—the bifurcation of Korea along the 38th parallel in Northeast Asia, and the conflict across the Taiwan Strait. Regional integration only became possible with the rise of China as an economic power in the last decade of the twentieth century and more dramatically in the early years of the current millennium. It was in this period that intra-Asian trade began to eclipse the trans-Pacific trade that followed hub-and-spoke security relations. Only now do we see China as an active and enthusiastic participant in the forging of regional multilateral arrangements.

Since the beginning of the twenty-first century China has reversed its former suspicion and ambivalent participation in multilateral organizations. China moved from a reluctant participant to enthusiastic initiator. This is instanced by the “ASEAN+1,” which has grown into the “ASEAN+3” free trade initiative, the Shanghai Cooperation Organization (SCO) and the Six-Party Talks over the denuclearization of North Korea. As a result, China has active multilateral organizations or processes covering almost all contiguous states, with the notable exception of the Himalayan region. There is little dispute about what motivated this shift. Essentially it is an outgrowth of China’s increasing global and regional weight, as well as its latter-day realization of the dangers of the security dilemma in international affairs.

The question remains however, what kinds of policies underpin Chinese commitments to regionalism and how these differ from regionalism in other settings. One common element in China’s regional engagements is the steadfast rejection of collective security organizations and formal alliances, an apparent reluctance to sponsor or participate in highly judicialized rules-based regional multilateral organizations with strong central secretariats or independent adjudication bodies, and the absence of any tribunals to which non-state parties, either real persons or legal persons like corporations and NGOs have independent access. Each of these regional multilateral bodies takes the form of an umbrella for interstate cooperation with a strong bias in favor of consensus rather than majoritarian decision-making (Johnston 2003). In each area there is no delegation of sovereign power to a supranational or transnational body. At the same time, however, it would be wrong to say there has been no restraint on sovereign rights as a result of these multilateral bodies. But it would be correct to term these codified articles of self-restraint rather than delegation or subordination of sovereign power to a higher authority. Even the pooling of sovereign authority is of rather limited scope.

Looking at Chinese region-building behavior there is little of the “functional integration” that Haas (1958) claimed underpinned the uniting of Europe. Institutional linkages did develop incrementally over the 1990s but they did so led by clear political imperatives rather than incremental bureaucratic decision-making. China “discovered” a cultural affinity for its near neighbors that was dormant for decades and perhaps centuries. Cultural affinity, while certainly a
factor in the priorities that China assigns to its multilateral partnerships is much more an ex-post rationalization than a causal factor. What is most surprising is that those cultural factors which Katzenstein and Shiraishi (1997; 2006) saw as underpinning Japan’s careful decades-long courting of Southeast Asia rebounded to China’s credit within a few short years. Chinese regionalism and multilateralism far from some kind of conscious “grand design” grew out of a policy of “preemptive participation” designed to guarantee China’s status, exclude Taiwan’s political inroads and reassure fearful neighbors. Only much later did this grow into a “new security concept” with Confucian overtones of benevolence.

**Confronting the security dilemma**

By the mid- to late 1990s Chinese policymakers became aware that China’s efforts to “restore” greatness could be perceived as threatening to China’s neighbors. The watershed might have been the coercive missile campaign against Taiwan in 1995–1996 and the need to reassure China’s Southeast Asian neighbors, especially given China’s claims in the South China Sea. The immediate context seems to have been the rise of literature surrounding “the China Threat” (Bernstein and Munro 1998; Deng 2006). The advent of this negative perception of China’s rising power inaugurated a decisive turn towards regional multilateral diplomacy, beginning with China’s adhesion to the ASEAN Regional Forum (ARF) in 1995 that culminated in the enunciation of a “new security concept.”

**Multilateralism: from opposition to embrace**

As one Chinese scholar puts it:

> The characteristic of the current era is a struggle between two types of world order: On the one hand, the sole superpower, the US, attempts through multilateral (as well as bilateral) diplomacy to prolong, expand and consolidate its own global hegemony. In recent years, the US relying on its own strong economy and military power, is increasingly unwilling to accept the restraints of international society and international law, and is actively employing unilateral to seek hegemony in its own exclusive interest. On the other hand, the vast majority of states in the world, including China, hope to establish a new democratic, just and reasonable international order—we term this a multipolar global structure, and towards it we have opened up an active multilateral and bilateral diplomacy. The characteristic of multilateral diplomacy in the new era is broad participation in the search for peace and cooperation. (Shen 2001)

Multilateralism has become an integral element in China’s “new security concept.”
As a way to safeguard long-term regional and global security and as a way out of the ‘security dilemma’ multilateral cooperation has become the object of re-evaluation by many countries. Participation in multilateral cooperation is a major step in China’s acceptance into international society. It is a subjective requirement for the realization of state prosperity and strength (fuqiang) and national revival, and is an intrinsic guarantor of national interests, is a new and important channel for safeguarding regional and global stability, improving and strengthening security relations with the nations of the world, developing friendly cooperative relations with neighbouring countries, an important channel for improving mutual understanding and trust, and is a new development and new instantiation of China’s independent foreign policy in the new era. (Meng 2001)

Wariness

Such glowing praise also hides deep misgivings:

For China, participation in multilateral cooperation is both a new challenge and a hard won historical opportunity… to a certain extent it has the positive significance of blocking hegemonism and promoting the formation of a new international security order…We should not look only at how some countries struggle to establish a leading role, and overlook the significance of establishing normative frameworks and rules to the maintenance of the external security of states and to the realization of security interests. One should not only look at how joining and participation may to some extent require giving up a certain amount of freedom of action and overlook how states can acquire security guarantees of much greater scope over a much longer time frame. (Meng 2001)

The development of a “new security concept”

The concept of cooperative security first came to China through the agency of Canadians, with the name of Paul Evans (currently Executive Director of the Asia-Pacific Foundation) prominently mentioned. Chinese were formally introduced to this notion at the 1997 Canada–China multilateral Training Seminar (Johnston 2003, 127–128). With the creation of SCO (see Chapter 11), China pursues what might best be called a “Westphalian” foreign policy. The SCO grew out of efforts to maintain border security confidence building measures agreed to in the waning days of the Soviet Union. This cemented relations among the “Shanghai Five” that grouped China with Russia and three Central Asian states (Kazakhstan, Tadjikistan, and Kyrgyzstan). The goal of securing post-Soviet frontiers was extended to prevent separatist and Islamic movements from spreading across the frontiers of the region. SCO differs from an alliance based on the principle of collective security because the terms of its convention do not oblige member
states to intervene on each other’s behalf. However, the organization involves both policy coordination and significantly, joint military exercises. In other words, SCO provides an embryonic form of a community of practice that embodies China’s new security concept.

In the late 1990s China began to herald a “new security concept.” In 1999 China’s Chief of Staff Zhang Wannian wrote “History proves that simply by increasing military preparedness and military alliances will not gain long-term peace. We can create real peace only by linking together mutual trust and common interests through dialogue and cooperation.” This idea, was enshrined in China’s 2002 Defence White Paper: “To enhance mutual trust through dialogue, to promote common security through cooperation, and to cultivate a new security concept featuring mutual trust, mutual benefit, equality and benefit have become the requirements of the new era.” The new thinking recognizes that “security is indivisible” and that one cannot enhance one’s own security without taking account of the security of one’s neighbors and potential adversaries. This concept was enshrined in Jiang Zemin’s speech at the 2002, 16th Communist Party Congress: “In the area of security, countries should trust one another and work together to maintain security, foster a new security concept featuring mutual trust, mutual benefit, equality and coordination, and settle their disputes through dialogue and cooperation and should not resort to the use or threat of force” (Jiang 2002).

China began to recognize the virtues of multilateralism and put these in action to a very significant degree. Approval of a code of conduct for the South China Seas at the ASEAN Regional Forum (ARF) represents a very important advance in Chinese security thinking and a major instance of cooperative security in the Asia-Pacific (see Chapter 9). Finally, early in the new millennium China was given the opportunity to extend this concept to Northeast Asia, when the Bush administration committed to a multilateral process to resolve the second Korean Peninsula nuclear crisis, a process that lead to the creation of the Six Party Talks.

“Soft” counter-hegemonism

Chinese foreign policy statements of recent years are striking in the way in which they refer positively to “international society.” Thus, especially since the 2003 occupation of Iraq, China has both embraced and identified itself as an integral part of the “international society,” with the USA on the outside (Zheng 2004). This represents a kind of a “soft” counter-hegemonism, which differs from traditional balance of power diplomacy in that it is not directly aimed at building a coalition to confront the dominant power. Instead, it emphasizes China’s positive commitment to maintain the shape and practices of the international system against the twin threats of (i) global terrorism, and (ii) (preemptive) intervention into the domestic affairs of states.

This is the demarcation of the foreign policy terrain that affects China’s security relations with the USA (see Chapter 6). Insofar as cooperation against
terror means cooperation by sovereign states in defence of sovereignty, China is steadfastly on the side of Washington. Insofar as the USA acts unilaterally, China will side with those that oppose Washington, but will not directly confront it unless immediate interests are at stake. This was summed up in Jiang Zemin’s sixteen character formulation: “cengjia xinren, jianshao mafan, cengshou hezuo bugao duikang” [increase trust; reduce friction; increase cooperation; avoid confrontation].

China may formally foreswear a leadership role but others within the region see such a role developing in the “good neighborly” policies that emerged in the 1990s and were consolidated following the Asian financial crisis of 1997–1998. China’s initial forbearance in refusing to devalue its currency in the face of deteriorating trade, was then followed up with enthusiastic endorsement and participation in the Chiang Mai initiative, and then crowned with the initiation of the “ASEAN+1” Free Trade Area at the Phnom Penh ASEAN summit of 2002.

China’s accession to the ASEAN Treaty of Amity in October 2003 was a major historical watershed that marks an important shift. As the first non-ASEAN state to accede to the treaty, China demonstrated ASEAN’s importance as the core multilateral institution in Asia. This action refuted the thesis that China is recreating a Sino-centric international order in Asia because, through both the ARF and the Treaty of Amity, China associated itself with ASEAN rather than vice-versa. This is a fact acknowledged by the Chinese themselves. China’s leaders and analysts are well aware that ASEAN’s expansion in the 1990s was prompted in part, by fear of China’s growing influence (Ma 1999).

Consultation and consensus (mushawara and mufakat) are the two key phrases of the ASEAN way, which some interpret as the set of basic norms for a nascent security community (Acharya 2001). Others have criticized such perceptions (Khoo 2004). Undeniably however, these norms correspond well with China’s suspicions of legally-institutionalized structures with formalized rights and obligations as well as to the habits of personalized diplomacy. At the very least these norms lower the threshold of association. Because there is no danger that controversial issues will be adjudicated either on majoritarian grounds or through recourse to rights-based legal analysis China felt comfortable in committing itself to a multilateral regional organization (see Chapter 10).

This kind of a regional framework based on shared practices assuaged traditional Chinese anxieties that a multilateral arrangement might leave China isolated, or that it would be forced to choose among friends and prioritize relationships. This form of multilateralism also served as a form of “soft” counter-hegemony as aligning with secondary powers is a means of constraining US-hegemony. This can be distinguished from a balance of power system by the absence of an overt power or security dimension. Instead, China can portray itself as a consensus power upholding traditional Westphalian concepts of sovereignty against a US-power that threatens to undermine these practices.

For China, and for Hu Jintao personally, the Korean nuclear crisis that broke out in October 2002 has been a test-case of solving security problems through
dialogue and through seeking “win-win” solutions. The Korean nuclear issue poses a particularly difficult dilemma for the Chinese leadership, since it pits its “lips and teeth” relationship with North Korea against one of its largest trade and investment partners the Republic of Korea. Moreover, the priority foreign policy objective for China’s leaders throughout the reform era has been to stabilize relations with the world’s leading superpower, the USA. Thus, China could not remain aloof from the crisis without risking a deterioration in the Sino-American relationship that is key to its goal of “peaceful emergence.”

The fact that in 2003 Washington directly solicited Beijing’s help in defusing the crisis multilaterally (in contrast to its initially bilateral solutions in 1994 and 1998) is a testimony to the relativization of US-power and influence in Northeast Asia (if not its actual deterioration) as a result of not only the rise of China, but also of Washington’s preoccupation with Iraq and the Middle East. The relativization of US-power and influence presented China with an opportunity to assert a positive regional and global role, so long as it could be kept within the parameters of its own perceptions of its proper role and identity. China was never prepared to go beyond its vision of itself as benevolent great power that sought peaceful solutions through dialogue and positive sum strategies.

**Equality and democracy as the Chinese norms of multilateral engagement**

China employs a countervailing liberal discourse of “equality” in the cause of restraining a liberal hegemony that threatens the Chinese domestic regime. In this respect, China’s regionalization policies contain a weak strain of “anti-liberal” balancing behavior. This stands in stark contrast to Ikenberry’s (2003, 429) view, who sees democratization as a crucial element in regional stability. Chinese regionalism, however, does appear somewhat consistent with John Mearsheimer’s (2001) thesis of regional dominance as a pre-requisite for great power status. At the same time China deploys a discourse of “equality” and “democracy” in international relations as a means to de-center liberal ideological hegemony. While not explicit in the constructivist or interpretivist literature, it would seem logical that theories of order based on intersubjective cognitive maps and normative principles would require a degree of cognitive consistency in relation to principles of order. Thus, the coexistence of formal equality of sovereign states with an actual hierarchy of power and wealth is consistent with the principles of liberal citizenship (Shinoda 2001).

An intriguing possibility is that the “democracy” referred to in Chinese discourse may in fact refer to some form of “democratic centralism,” whereby an oligarchic “center” of great powers organizes international society in an institutional order underpinned by universal normative commitments. However, this possibility appears inconsistent with the bedrock Chinese insistence on the principle of non-interference in relations among sovereign states and its restrictive approach to humanitarian intervention.
Another aspect of Chinese international relations behavior consistent with Chinese culture is the coupling of a strongly normative concept of order with an explicit prescription of the normative obligations of power holders. The prescriptive obligations of power holders do not exist however in what Western theorists would view as a “constitutional” framework that places legal or material constraints on power. It is, instead a framework that has no stronger sanction than “shame” and the prudential constraint of reputational costs that may involve the potential loss of leadership and the promotion of resistance to those in power.

There is therefore no real contradiction between Chinese “Westphalian” multilateralism and Avery Goldstein’s (2003, 72–73) conclusion that China’s multilateral turn represents a kind of Bismarckian reassurance that should not be interpreted as a conversion to supranational values.

Beijing’s warmer embrace of multilateralism represents, as Iain Johnston and Paul Evans suggest, a significant shift from past practice. But it should not be taken for a conversion to supranational values. Instead it represents a component of China’s neo-Bismarckian grand strategy designed to advance national interests, in this case by reassuring those who might otherwise collaborate against a putative Chinese threat. However real, the embrace is partial and conditional; China continues to resist efforts to place on the multilateral agenda sovereignty disputes it insists can only be resolved through bilateral negotiations.

The rhetoric of China’s “peaceful rise” is directly contingent on the perception since the mid-1990s that China’s rising power is potentially threatening to its neighbors (Johnston 1996). This involves an effort to reassure neighbors of China’s peaceful intent while adding to China’s state capacity. Goldstein’s outlook interprets China’s doctrine of “peaceful rise within the realist framework of balance of power diplomacy. While Goldstein’s enlistment of Bismarck as a metaphor for Chinese foreign policy behavior is not exactly favored, the theme of “reassurance” has been echoed by China’s own scholars (Jia 2005).

China engages a variety of multilateral settings designed to accomplish different goals while assuring its own status as a great power. To do this it must, on the one hand, secure multilateral forums such as “ASEAN+1” and SCO where Beijing is capable of playing a leadership role and garnering “soft power” through the provision of (material) collective goods (like market access, development funding, and common security through secure frontiers and common opposition to separatism), while at the same time looking towards other multilateral fora where China has a “seat at the table” alongside other great powers.

The two strategies are mutually reinforcing. China’s reputation “at the table” is enhanced by spread and impact of its regional influence. If great powers provide a frame for international order, then the capacity to promote regional order through shared practices is a form of social capital that can be parlayed at the global table. The decisive question then is the relation of power to interdependence and the perception of threat that goes along with this. There is little doubt that following the
end of the Cold War, Walt’s (1991) hypothesis that balancing is more of a reaction to perceived threat than to objective power has been more than substantiated (Walt 1991).

Despite the rhetoric of equality and “democratization” of international relations, China’s rhetoric appears more consistent with a “neo-Mencian” foreign policy. This policy underplays the element of power in establishing order in favor of a normative hierarchy of virtue, where status asymmetry is founded on the capacity to exercise moral leadership. This pattern is also consistent with the ideological principles embedded in the theory of the “three represents” as the normative basis of current CCP leadership. Here leadership is founded on the capacity to continue China’s material, technical and cultural progress, and the capacity of the Party to embody the “basic interests” of the majority. Neo-Mencian leadership can, in some respects be compared to liberal institutionalism, where the provision of public goods, including security, open markets and access to development forms the basis of normative leadership and order.

This system of order would have the following features: (i) Order is normative and hierarchical; (ii) Beneficence is exchanged for deference in an asymmetrical fashion; (iii) Equality of status is underpinned by claims of mutual respect; (iv) Formal equality requires compensatory measures from those of superior capacity; (v) Participation is voluntary. In this setting, coercive intervention is only legitimate under the following two conditions: (a) the maintenance of order among states not within them; (b) appeals to support domestic order claimed from the United Nations.

This vision of order does not deal with problems of free ridership, nor, as in the case of China’s policy towards North Korea, does it employ coercive force where the threat to regional order is latent rather than actual. Instead, the idea of normative order is underpinned by mutual influence in a group setting. The creation of a social order involves incentives for participation and the latent threat of shunning or exclusion as the cost of defiance. Effective deployment of this normative tool involves avoidance of rules-based majoritarian decision-making, as well as avoidance of divisive issues. In other words, leadership is limited to incentive-based suasion and last-resort, consensus-based coercion.

Such a posture would contradict China’s use of force throughout the period 1950–1996. Throughout this era, as Johnston (1998b) has pointed out, China’s propensity to use military force was above the norm. Moreover, this propensity was often used preemptively, in an effort to demonstrate superior capacity to absorb casualties and military risk. Nevertheless, China’s use of force was conservative in that it was not used to expand the frontier, nor did China attempt to occupy foreign territory. The implication is that for China to exercise greater leadership, it must show restraint. Indeed, China’s leaders seem to have recognized this in their adoption of the Code of Conduct for the South China Seas at Phnom Penh in 2002 (Womack 2004).

On the surface, at least, there is a great deal of common ground between Chinese perceptions of rising to become a “responsible great power” and Undersecretary of
State Bob Zoellick’s (2005) call for China to become a “responsible stakeholder” in the international system. However, underpinning some of the misperception of China’s foreign policy behavior is a mistaken perception of the ontology and epistemology underlying Chinese foreign policy views. Critics of Chinese foreign policy often point to Deng Xiaoping famous admonition to “flee the light and bide our time in the shadows” (tao guang yang hui). Michael Pillsbury, a prominent conservative Washington security analyst, seizes on this as evidence of China’s effort to dissimulate its ultimately aggressive intentions. Curiously, interviews in Beijing with influential analysts like Men Honghua of the Central Party School and Qin Yaqing, Rector of the Foreign Affairs College volunteered Deng’s dictum as a pillar of Chinese foreign policy (Qin 2007).

Alastair Iain Johnston borrows the language of constructivism and the notion of security communities to empirically demonstrate China’s emergence as a status quo power. He views China’s “peaceful rise” with a lens that is both cognitive and epistemological and sees China becoming “socialized” into the existing order of international relations (Johnston 1996; 2003) Interestingly enough, while Johnston is viewed sympathetically within the Chinese academic foreign policy community, his views are not precisely admired. Many Chinese international relations scholars maintain a visceral nationalist resistance to the notion that China’s rise depends ultimately on its “socialization” and conformity within existing international structures, notably those led by the USA.

**Neo-Mencian normative hierarchy: A responsible great power—not a hegemon**

Any suggestion that China’s relations with its foreign neighbors might be a return to the Sinocentric order of traditional tributary powers provokes considerable unease (see Chapter 2). The possibility of recreating such a system, notably floated by David Kang (2003; 2007) is flatly rejected by leading Chinese international relations scholars. All aver that China has neither the intention nor the capacity to recreate a formal hierarchy with itself at the centre. Moreover, they reject the notion that China’s Asian neighbors and ASEAN members in particular would be willing to place themselves in a position of subordination and suzerainty vis-à-vis China.

Despite the denial of a return to the past, Chinese international relations thinking retains, or more accurately has resurrected, a traditional core. This goes beyond the discourse of “harmonious society” that China’s president Hu Jintao promotes (Hu 2005). There is a fundamental difference between Chinese ontological views and the equivalent American ones. The point on which Chinese and American views notably converge is on the desire for stability and order. Where they clearly diverge is on the conception of order that they project on international society.

Based on Enlightenment and Classical/Judeo-Christian views, the American view of subjectivity is relatively fixed with values and identity autonomously
and internally derived. This is not the case with China. The post-9/11 Chinese diplomacy certainly emphasizes multilateralism, and a rules based international order in so far as this forms a contrast to US-unilateralism, that is harshly and consistently criticized (Qian 2004). However, China’s “multilateral turn” is much more in tune with what Katzenstein (2005) terms “Asian Style” multilateralism, but has even deeper roots. China’s “soft” counter-hegemonism involves the practice of a multi-tiered diplomacy. Its twin pillars are support for multilateral diplomacy and multilateral institutions combined with a good neighbor policy and support for Asian regionalism (Paltiel 2005). The fundamental character of this diplomacy is opposition to unilateralism without directly challenging US-power or interests. A “Mencian” foreign policy, at least rhetorically tries to instantiate the Wang Dao or “Kingly way” that emphasizes virtue over power (Mencius VII).

The immanentism inherent in Chinese philosophy and the primarily relational focus of Confucian ethics propose an ontology that is more process driven and an identity that is found within and not prior to relationships:

In western thought, the antithesis of chaos is order, and order is thought of, both cosmologically and philosophically as an artificial objective deliberately brought about, managed, and controlled on predetermined forms according to the conscious will of a transcendent power exterior to the flux, by enforcement of codes of rigid, universal, specific imperatives constraining conduct. In Chinese thought and cultural tradition, the antithesis of chaos is harmony which is brought about simply as a natural characteristic of a state of affairs that arises and persists so long as all the individual parts of the universe, even the smallest, and all persons in it, perform the duties and offices faithfully “according to the internal necessities of their own natures” in whatever station or function of life they find themselves born to or assigned by superior authority. (Stephens 1992, 4)

The Chinese tradition rests on a fundamental notion of immanence rather than transcendence. There is therefore no divine legislator, nor is it reasonable to assume any kind of legal order (such as natural rights) that transcends the phenomenal order. “The mutual immanence of the primary elements of the Confucian cosmos— heaven earth and man—precludes the use of the language of transcendence and therefore renders any sort of dualistic contrast pernicious” (Hall and Ames 1987, 17). The moral faculty links all persons and the cosmos and all things. Instead of a transcendent God, Confucianism sees the cosmos as a seamless web of relations, the jigang where each node may not be disturbed without affecting the shape of the web as a whole (Needham 1951, 22). The cosmos is fundamentally a moral cosmos and nature is the same as human nature (xing ji tian).

The coextensive relationship existing among the dimensions of personal, social and political order has the effect of precluding the employment of categories familiar from Western philosophical theory. Confucius, given his distinctly
social perspective with regard to the project of person making does not perceive a corresponding degree of difference between public and private, between ethical and political concerns, between social and political structures. (Hall and Ames 1987, 160)

With this background in mind, it is perhaps not unsurprising that Qin Yaqing translated Alexander Wendt’s *The Social Theory of International Relations* within a year of its original publication.

The Chinese view of order in international society is fundamentally akin to the view of social relationships that the late eminent Chinese sociologist and anthropologist Fei Xiaotong called *chaxugezhu*, or differential association (Fei 1992). For this reason Chinese are acutely sensitive to status relations and moreover are adept at manipulating status differences in order to maneuver for interest advantage. I fear we have misperceived China’s search for international status as a search for something of specific capacity or power. Chinese certainly aspire to a status equal to that of the USA, but this status in itself is not in pursuit of domination or to accomplish any specific goal. It is merely to correct what they see as a historic anomaly and an injustice. Beyond that they wish for “order” to prevail. Within this order China has no further goals other than to take care of its own needs and to oppose the use of force to acquire unilateral advantage. China does not see order as embodied in norms values or rules. Rules are instruments of order, not their embodiment. Therefore Chinese see themselves as only partial agents in an environment of constant flux. Within this agency is contextual and purposive only to the extent that it is relational. All action is both material and demonstrative.

Men Honghua reaffirms the traditional moralism of China’s strategic culture. While trying to answer critics like Alastair Iain Johnston of the deeply “realist” coloration of China’s strategic culture, he acknowledges the materialist and realist side of culture and poses the challenge to China’s strategic thinkers as follows: “In the contemporary situation of international and domestic conditions, the challenge is how to build a cooperative strategic culture between the poles of moralism and realism has already become one of the core premises behind conceptualizing a Grand Strategy for China.” (Men 2005, 3)

China’s new multilateralism reveals recognition of a new arena of contextual social action. China’s behavior aims at preserving relationships and interests at the same time. It is driven by a desire to maintain its recognition as a significant player and as a responsible participant in group interaction. The proliferation of *White Papers* is ample evidence of this. What is important about them is that they almost never deal explicitly with the purposive direction of the international group. This is more than timidity or modesty. It constitutes a distinct aversion.

Nevertheless, China’s grand strategy is primarily build around the acquisition of greater state capacity for realizing national interests. This is the first priority recognized by Men (2005, 331). Institutionalizing a global concept of order is in second place. But his conception, on the one hand, recognizes the importance of
order and stability but on the other reiterates self-help and sovereign independence as the basis of equal relations and cultural pluralism. This is how Men explains “the democratization of international relations.” The best strategic notion that can be offered right now is the slogan of “win-win” alongside a hard-won recognition that the structure of the international system both requires greater participation and contribution from China but has also been favorable to China’s rise.

“Cooperation” has become a new codeword in Chinese foreign policy, however, it is not entirely clear what China refers to by the term cooperation. It is, in no small measure, a sign that China demands a seat at the table and a veto over common deliberations. An interesting development in that China has begun to couple the ”democratization” of international relations with the “legalization,” coupling the demand for a change in the distribution of power with the idea of a procedural order (Li 2006). This in many ways is an innovation consistent with the multilateral turn in Chinese international relations. However, those who would identify this turn with the “socialization” of China into the existing Western-based multilateral system must be cautious, because this type of socialization is limited by specific Chinese attitudes towards the rule of law in general and about the application of the rule of law to China in particular.

The Chinese state refuses to recognize any claim that implicitly limits its own authority. As distinct from a conception of law that sees it as part of the relationship between state and (civil) society or the body politic, the Chinese state sees law as the universal expression of its authority in society, authority exclusive to the state. Domestically sovereignty is a logical prerequisite for the supremacy of law. Internationally, sovereignty is the legal category establishing a state system. China’s fate during the nineteenth century was to be excluded from the international system on the basis of supposed defects in Chinese law.

Hence China’s view of the “democratization of international relations” specifically precludes setting up this kind of international comparison. At its most benign the Chinese response is that of Zheng Bijian (2005), to “agree to disagree” on the nature of democracy while upholding democracy as a common value. Likewise another commentators ascertains that the premise behind “peaceful rise” is he er bu tong “harmony without sameness” (Jie 2004, 83). Thus if one needed an index of the re-Confucianization of Chinese foreign policy ideology in the rhetoric of “peaceful rise” and “building a harmonious world” then the establishment of “Confucius Institutes” throughout the world to spread Chinese “soft power” is the best indicator.

**Conclusion: Regional and global orders**

There is a difference between the Chinese belief in an emergent order and the US-belief in an ideal or formalized order. According to Fei Xiaotong, the organizational order of the West places the accent on the formal structure, and relationships are seen as dependent on positions within that structure. He terms this tuantigeju or
the organizational mode of association. Here value is fixed by the principles of the organization. By contrast in the mode of differential association (chaxugeju) value is always relative to the self. At the same time, cohesion is a value in itself. To the extent that a formal order must be imposed and must have clear rules of inclusion and exclusion it corresponds to Chinese views about hegemony. All fixed norms and standards of behavior are to some extent alien to the differential mode of association.

To the extent that US-views of order also depend on a transparent and negotiable notion of interest, this conflicts with Chinese ideas about “face” and status in the maintenance of relationships and the acceptability, and often desirability of dissimulating interest to further maintain relationships. China or the Chinese may not even be prepared to be “socialized” into the Western mode of association, even should the USA become more ready to conform to the formalized rules of a multilateral order as it seems to be under the Presidency of Barack Obama.

American insistence on unilateral privilege within a general order that favors rules-based multilateralism, and a Chinese global outlook that is deeply suspicious of majoritarianism but highly conscious of the ways in which its status depends on participation in “international society” allows a certain freedom of maneuver, in which China can maintain its anti-hegemonic perspective while conforming to the rules of a multilateral order. Where China’s interests are clear, and the issue is one where there is broad perception of the national interest, Beijing is ready and willing to engage in multilateral diplomacy that is formal and rule bound. This refers to areas where China has a clear interest in binding other powers to an explicit set of commitments.

The best example of this is SCO. China is currently more interested in deeper regional integration in Asia because it sees clear common interest and is able to deflect and defer controversial issues, such as sovereignty of the South China Sea. Consensus based regionalism also avoids the issue of domination or core member oligarchy. At the same time, China offers the possibility of regionalism where “wedge” issues are avoided. Asian countries do not seek to “balance” against China, because China refrains from exploiting its dominance (Kang 2007).

In other areas China may wish to see itself as a “player” without entangling commitments. In either case however, China does not project an abstract “order” that it desires to impose globally. Instead each multilateral setting is a web of relationships that provides a framework for continuous engagement for relations to be balanced and cultivated according to current needs. In practical terms, the differences between the Chinese and Western, particularly American perceptions are not about the depth of commitment or the degree to which China accepts the terms of membership in organizations to which it subscribes. It is not about the terms of engagement, but rather about the form of interaction (i.e., the practices) and shifts between active and passive participation.

The trend, however, is clear. As China’s impact on the global environment—security, economic, and ecological—increases, and as this exposure to the global environment increasingly has an impact on the domestic political order, China’s
leaders have little choice but to internalize international perceptions of China’s actions in their policy calculation. However, how this “order” is framed does have an impact on policy outcomes. China’s carefully thought out strategy of regional engagement and regionalization is designed to give Beijing a local template on which to frame China’s vision of a global order.
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Chapter 5
Identity, Nationalism, and China’s Policy towards Regionalization

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Introduction

China’s rise as a major regional—and increasingly global—power has drawn growing attention from policymakers and analysts alike. Most debates and discussions have by and large focused on two related themes: one concerns the implications of China’s rise and its likely impacts on the international system; the other is on how China will use its power in advancing and protecting what it considers to be its national interests. There is sufficient consensus on the first theme and indeed many analysts can readily point out how China’s rise has already affected global and regional developments from addressing the financial crisis to dealing with regional security challenges such as the North Korean nuclear issue. But less certain, is the question of where China is headed in the coming decades and how its growing power will be applied. A particularly disturbing indicator, rightly or wrongly perceived by external observers, is the growing Chinese nationalism in recent years and concerns that it could lead to more assertive Chinese foreign policy toward the region and beyond.

The new waves of Chinese nationalism stirred up by the disruption of the 2008 global Olympic torch relay, the inflammatory remarks by CNN commentator Jack Cafferty, and the perceived biased reporting by the network have drawn renewed attention to an issue that has long been the focus of China watchers in both the academic and policy communities. Such outpouring of nationalist reactions to what are viewed as foreign slights and insults also raise the question of China’s identity in the dawning decades of the 21st century: is China a confident power that will be a positive force for regional integration or an aggrieved giant still licking its past wounds inflicted by the west? How would Chinese nationalism and identity affect its policy toward East Asian regionalization?

This chapter explores some of these issues and examines whether and to what extent Chinese nationalism affects Beijing’s policy toward regionalization. The analysis begins with a brief description of the recent revival of Chinese nationalism and China’s quest for national identity as the country becomes an increasingly influential regional power poised for global power status. This is followed by a discussion of Chinese perspectives on and policy toward regionalization, in particular Beijing’s efforts in developing closer economic and political ties with
its neighbors in Southeast Asia, Northeast Asia, and Central Asia. The chapter then looks at the connection between Chinese nationalism and identity on the one hand and Chinese policy toward and influence over regionalization in East Asia on the other.

Three arguments are presented in this chapter. To begin with, while the recent surge of nationalism in China raises the question of whether and to what extent public opinions and the Chinese leadership’s pursuit of regime legitimacy will increasingly inform a more assertive Chinese foreign policy, a careful examination of the origins, expressions, and the patterns of Chinese nationalism also suggest that they do not necessarily lead to hard-line policies from Beijing. Second, national identity, where state and its leaders play a more prominent role, can have a mitigating effect on nationalism where perceiving oneself as a responsible rising power informs policies that are seen as more accommodative and less aggressive. China’s growing awareness of its international image provides incentives for its leaders to channel nationalist sentiments away from negatively impacting the foreign policy goals Beijing seeks to promote and achieve: peace and development so that domestic economic growth can be sustained and social stability maintained. Finally, China has become ever more proactive and confident in multilateral diplomatic endeavors and receptive (to a certain degree) of the concepts of regionalization and regionalism. To the extent that Beijing can be a major player in the East and Central Asian regionalization, it has yet to contend with the other key players as well as to manage the politics of nationalism, national identity, and the necessity—and the benefits—for regional cooperation.

**Identity, nationalism and China’s place in the world**

China’s quest for national identity has been a constant endeavor in developing self-images and seeking external recognition. From the mid- to late-19th century on, when the old Sino-centric order was shattered, identity-interpreting and nation-building in both what China is (and should be) and where it stands in the international system have been interwoven with efforts of generations of leaders, intellectuals, and masses in pursuit of a strong state that is respected for its history, culture and civilization and can and must remain autonomous in its foreign relations (Dittmer and Kim 1993). Nationalism both as a concept and an identity-building principle emerged in the aftermath of the collapse of the traditional Chinese order beginning with the Opium Wars of the 1840s (Fairbank 1968; Mancall 1984; Shih 1993). Confronted with the challenges from the West and with its own defeats not only in the hands of the “barbarians” but to its student-neighbor Japan, the Middle Kingdom myth was shattered, prompting an urgent search for a new identity amidst the chaotic and imposed changes from without (Mancall 1984, xiii; Hunt 1993).

Indeed, the Opium Wars of the 1840s and the humiliating defeats inflicted on China by foreign powers resulted in the forced opening of China and imposed concessions and extraterritoriality that the decaying Qing Dynasty had no choice
but to accept. This completely shattered the myth of the middle kingdom’s self-indulged greatness and invulnerability. Nationalism, state-building, and national identity were subsequently introduced into the Chinese intellectual discourses and became the rallying calls for generations of Chinese to rebuild China as a sovereign, strong, and independent state in the community of nations (Townsend 1992; Fitzgerald 1995; Harris 1997).

Nationalism became the rallying calls and the instrument for identity and state building in China around the late 19th and early 20th centuries. The May 4th Movement (1919) was undoubtedly the first full display of modern Chinese nationalism with a long-lasting impact. Whether it was Sun Yat-sen’s search for a modern nation-state, or Chiang Kai-shek’s attempt to unify China under “one party, one leader, one state” to rid itself of all the unequal treaties imposed on imperial China by western powers, or Mao Tse-tung’s mass-based movement to overthrow the so-called “three mountains” of imperialism, feudalism-colonialism, and bureaucratic capitalism, the goals have been the same: the dream of a strong China, with its identity, its sovereign integrity, and its place in the international community recognized, respected, and strengthened. In that context, Chinese nationalism is proudly displayed whenever major achievements (e.g., winning Olympic gold medals; hosting the Games; sending astronauts into space) are made and stoked whenever foreign slight and insult are (or are seen) inflicted on the Chinese nation regardless of regime types and times (Dittmer and Kim 1993; Zhao 2004; Zheng 1999; Gries 2004).

Discussions on Chinese nationalism typically focus on its sources, forms, and expressions to assess their impacts on China’s relations with its neighbors and the implications for regional and international security and stability. Suisheng Zhao, for example, examines three perspectives of Chinese nationalism—nativist, anti-traditionalist, and pragmatist (Zhao 2000, 2004). The expressions of Chinese nationalism range from the autonomous and populist-based mass movements such as the Boxer Movement and the May 4th Movement, to populist-based but state-tolerated or even state-encouraged, to state-led patriotic education and promotion of Chinese culture and civilizational achievements (Gries 2001; Wang 2008; Wang 2006).

The populist-based and state-tolerated form of nationalism could include expression of nativism and popular anti-western literature (The China That Can Say No; Unhappy China) and, to some extent, the anti-Japanese sentiments in the early 1980s and in 2005. Finally, state-led nationalism—patriotic education in particular—aims to advance specific goals that range from the need to substitute communist ideologies and its legitimacy and the hold on power. Indeed, patriotism, or aiguo (love your country), now identifies the Chinese nation with the communist state, with the CCP becoming the embodiment and expression of the nation’s will as well as its central role as the defender of national interests—national unity, sovereignty, and economic prosperity (Wu 2008).

Contemporary Chinese nationalism thus has its roots in the country’s nation-building and identity-forming movements in the early 20th century that sought to
establish China’s place in the community of nations. Today, nationalism in China can be characterized as falling into two major categories. On the one hand, there is nationalism embedded in patriotism with great pride in China’s civilization, major achievements, and confidence in the country’s future in embracing and meeting the challenges of globalization. On the other hand, there is the sentimental nationalism that reacts to what is perceived as injustice and insult done to China and has a strong victim mentality. The domestic discourse of nationalism can be influenced by government propaganda, intellectual debates, populous display of emotion and repulsion, or a mixture of all three. While assertive and aggressive nationalism can and have arisen from time to time in response to external developments and occasionally could even be manipulated from within, Chinese leaders are aware that it is the affirmative nationalism that will win China friends and respects it deserves and that will accompany its peaceful rise to great power status.

Whereas the rise and revival of nationalism in China typically has responded to external events that threaten the very foundation of the country’s core values and existence, China’s quest for national identity is far more complex, as it involves first the self-definition of what one is and desires to be, and the extent of affiliation and belonging felt by people under the jurisdiction of state despite—in China’s case in particular, with 56 ethnicities—ethnic, linguistic, and cultural diversities with historical and geographical/territorial reaches (Dittmer and Kim 1993, 1–31). Indeed, developing a Chinese identity within a multi-national state—and in fact at the same time building a Chinese state at that—has been a major challenge for Chinese leaders from Dr Sun Yat-sen to Chiang Kai-shek, from Mao Zedong to the current collective leadership. At times, national identity and nationalism reflect and reinforce each other, as was the case in the late Qing and early Republican period; at others, they could be at variance, such as when China seeks to project an image of a benign and peaceful rising power in East Asia but outpouring and unchecked nationalism presents an angry and threatening revisionist state (Gries 2005; Phillips 2008).

While the above summarizes the types and expressions of Chinese nationalism, what concerns scholars, analysts, and policy makers most is the potential impacts that rising Chinese nationalism and national identity could have on Chinese foreign policy and, for our purposes, on its attitude toward (East Asian) regionalism (Zhu 2001). Obviously, as Chinese economic and military power continues to grow, there are legitimate concerns over the ends to which such power will be applied, and what role, if any, nationalism and identity issues play in influencing Beijing’s policy and affecting its relations with neighboring states. Chinese nationalism has been variously characterized as affirmative-confident; assertive-strident; aggressive-xenophobic; and defensive-reactive (Guang 2005; Jia 2005; Liebman 2007; Oksenberg 1986/1987; Whiting 1983; 1995). David Shambaugh has divided these into two contrasting types: (i) aggrieved and defensive; and (ii) confident and proud. The recent outpouring of nationalism and the strong reactions in response to the embassy bombing, Japanese history textbooks, and the EP-3 collusion represent the former; while the celebration of China’s manned space programs, its
economic achievements, and its growing influence on the world stage belong to the latter (Shambaugh 2008).

Identity, nationalism, and foreign policy

For years, China has been depicted as dissatisfied with the status quo and determined to right the wrongs of its humiliated past. There is a strong sense of “victimization” regarding territorial issues and Taiwan. China would be wary of threats to its security rather than vice versa. This “mostly historically-based Chinese undersensitivity to the security fears of others, especially the Japanese, reduces the effect of what otherwise might act as a powerful inhibition to seeking hegemony” (Roy 1997). Indeed, this has engendered fear of its neighboring countries of Beijing’s expansionist intents. Two themes underpin such regionalization. One is that because of China’s past weakness had subjected the country to humiliation and invasions, there is a strong need for asserting national sovereignty and independence. Samuel Kim (1994, 13–14) observes:

The historical experience of Western and Japanese imperialism during the century of national humiliation, far from being forgotten, seems to have endowed the Chinese with the nineteenth-century conception of absolute state sovereignty and taught the lesson of the importance of power politics in international relations and its corollary—that China could not be respected without power.

In an influential 1995 article, Allen Whiting suggested that an insecure post-Deng leadership could resort to nationalism to boost its own standing and legitimacy. He cited three types of nationalism: affirmative, assertive and aggressive. “Affirmative nationalism centres exclusively on ‘us’ as a positive in-group referent with pride in attributes and achievements. Assertive nationalism adds ‘them’ as a negative out-group referent that challenges the in-group’s interests and possibly its identity. Aggressive nationalism identifies a specific foreign enemy as a serious threat that requires action to defend vital interests” (Whiting 1995, 295). Alastair Johnston (1998) echoed this third type by describing Chinese identity-realism as the regime’s efforts to intensify in-group cohesiveness and the potential dangers posed by out-groups.

However, while it is true that past humiliation has left a deep scar on the Chinese people and each wave of nationalist outpouring in contemporary Chinese history appears to have been triggered by what is perceived as deliberate slights, insults, or disrespect of China’s sovereignty, it can also be argued that nationalism—patriotism as sometimes used in Chinese terminology—has been encouraged and even exploited either for state-building purposes or for reasons of legitimacy by the ruling elites—be they nationalists, liberals, or communists. In other words, only in rare cases has nationalism dominated and exerted significant influence over the state’s ability to formulate and implement foreign policy; in most cases,
nationalism has placed certain constraints over the choices of policy-makers (Zhao 2005/2006; Downs and Saunders 1998/1999).

Identity (both defining and building) has been left to the state, leaders and intellectuals although citizens can express, openly or otherwise, their perceptions of and preferences for particular images of the national identity that they are willing to associate with. When confronted with external pressure, threats, and during times of intense crisis, a national identity offers an integrated collectivity under whose label people of diverse ethnic, linguistic, and cultural backgrounds could rally and expect protection as “Chinese.” The state, in such instances, assumes a certain degree of legitimacy but also has to deliver on its expected obligations (Kim and Dittmer 1993).

Clearly, national identity connotes two different yet related concepts. One is the legitimacy of a particular image and/or set of characteristics perceived by people within a defined geographical/territorial space. The other, which for our purposes is perhaps more relevant, is the state’s efforts to build and strengthen a national identity that both caters to the expectations of people under its political jurisdiction and conveys its own statement of where it belongs and wishes to stand within the international system. The chronicle of PRC since its founding in 1949 is a constant search for and presentation of identity in ideological, geographical, and geo-strategic terms.

Over the past six decades, China has assumed multiple identities—at times simultaneously—that reflect the leadership’s preoccupation with both domestic legitimacy and the maintenance of national interests abroad. In the 1950s, Mao’s “lean-to-one-side” policy of allying with the Soviet Union helped a war-ravaged country to regain its footing under the threat of US-imperialism. The identification and association with the socialist camp headed by Moscow conveyed a sense of international socialist solidarity; at the same time, this allowed China to gain access to critical economic and military assistance from the Soviet Union and the East European countries. However, the ideological affiliation would not last long given the tension between a national identity that was built upon history, culture, and self-strengthening and one of more temporal and expedient nature—socialist and communist ideologies. This led the inevitable collapse of the Sino-Soviet entente (Lüthi 2008).

The fall-out with the erstwhile patron/ally and undiminished threat from the USA led to Beijing’s turn to the Third World to gain friends, but more importantly to encourage and export revolution. China was now identified as a revolutionary state that sought to chart a new course in international affairs. Chinese foreign policy during the 1960s was very much driven by its own image as a leader of the Third World with the same experiences of colonialist and imperialist repressions and subjugation. This empathy and shared common purposes also explain China’s willingness to not only provide armaments to liberation movements but extend economic largess—despite its limited financial resources—to many developing countries. This identification of itself as a Third World state is a constant theme in
Chinese foreign policy during this period until perhaps the beginning of the reform and opening up in the late 1970s and early 1980s (Van Ness 1970; 1993).

China’s return to the international community in the early 1970s—regaining its seat on the UN Security Council (UNSC) and membership in international organizations—initiated a period in which China began assuming (or is seen as assuming) multiple identities. On the one hand, as Samuel Kim (1898, 148) once observed, “China has emerged as perhaps the most independent actor in global group politics, a veritable Group of 1 (G-1).” On the other hand, China is also increasingly interacting with or feels pressured to respond to the world from perspectives of power identified as “a single region-state, a multi-regional power and a global presence” (Womack 2009, 1). At the same time, during the 1980s a strategic triangle (if only perceived rather than a concrete one) also emerged that allowed China to assume an identity of a global power to be—some analysts even suggested that China was an Asian country without an Asian policy (Tow 1994; Hinton 1994). Certainly being a permanent member at the UNSC puts China in a league of its own, which coupled with its nuclear capabilities, bestows upon Beijing a different badge of geostrategic significance.

The hybrid nature of such multiple identities has pushed China to renew its efforts in redefining itself. Since the early 1980s, and in particular in the aftermath of the 1989 Tiananmen incident, the Chinese leadership has sought to describe and promote a national identity that presents China as a developing country and a rising power upholding socialism with Chinese characteristics. In the wake of the collapse of communism in the former Soviet Union and Eastern Europe and facing ideological bankruptcy and legitimacy crisis at home, this became especially critical as the Chinese communist leadership wrestled with growing political, ethnic, and socio-economic challenges. Patriotic education was subsequently launched and the post-Tiananmen criticism and sanctions by the USA and other western powers also provided the fodder for Beijing to remind the Chinese people of their history of humiliation suffered at the hands of imperialist powers (Zheng 1999; Barmé 1995).

China’s rise as a global power in recent years has necessitated another reassessment and redefinition of the country’s national identity. The past three decades of reforms and opening up have resulted in rapid economic growth, moving China up the ladder of international system to become the third largest economy after the USA and Japan. In power purchasing parity (PPP), China now ranks second. Indeed, capturing and explaining China’s phenomenal rise to great power stardom has become a cottage industry of its own, with a growing literature on perhaps one of the most significant developments in international relations over the past decade (Bergsten et al. 2008; Deng and Wang 2005; Gill 2007; Goldstein 2005; Kang 2007; Lampton 2008; Ross and Zhu 2008; Shambaugh 2005). First and foremost is the phenomenal economic growth averaging over nine percent annually that has been sustained over the past two decades, quadrupling China’s gross domestic product (GDP) during that period. China has become, since reforms started in the late 1970s, the world’s third largest economy in 2008:
China’s growing influence is being felt not only in East Asia but also in regions where in the past it had chosen to keep a low profile. These include Central Asia, where Beijing has become increasingly active and was instrumental in the establishment of the Shanghai Cooperation Organization (SCO) in 2001 (see Chapter 11); Africa, where China’s influence has grown significantly in terms of investments and trade (see Chapter 13); and Latin America, which used to be the backyard of the USA (see Chapter 14). Beijing’s weight these days can clearly be felt in the corridors of the UNSC, the Six-Party Talks on the North Korean nuclear issue, and even in international economic and financial bodies such as the World Economic Forum, the World Bank, and the IMF. China’s growing importance in global finance and economics was clearly noticeable at the recent G-20 Summit held in Britain (Saunders 2006; Pilling 2009, 5).

China’s re-emergence as a great power presents Beijing with a dilemma of sorts. On the one hand, the patriotic education campaigns serve to inject legitimacy in the CCP’s continued rule as the sole savior and guardian of the Chinese nation and the champion for economic development at a time when communism has lost its appeal as an ideology; on the other hand, the fact that economic development takes precedence over other policy agendas also mean that China has to work and maintain stable relationships with its key counterparts, many of them western industrialized countries, that are principal sources of investment and technology transfers as well as the key destination markets for China-made goods. Given China’s extremely high level of dependence on foreign trade, it can ill afford alienating and losing these valuable resources. That explains why the Chinese government, at the end of the day, tends to intervene to minimize the harm to its key relationships may result from uncontrolled upheaval of unrest and outpouring of nationalism. On the other hand, Beijing also has to live with and deliver on what it has painstakingly promoted and reinforced such points as victimization, national sovereignty, national honor, among others (Roy 2009).

Beijing also has to worry about the contagious effect of popular nationalism since it can be a double-edged sword (Zhao 2005). One is the likelihood that public demonstrations against foreign countries can turn against the Chinese government itself (The Economist 2008). Another is the danger of over-promise that heightens popular expectations and subsequently reveals the government’s inability and/or unwillingness to deliver. As Denny Roy (2009, 28) observes, “[h]aving fostered nationalist fervor and pride among the public, Beijing now carries the burden of living up to the people’s demands.” A third is the potential backlash on China’s image. Overselling the victim mentality indirectly belittles the role of the CCP. After all, “China has stood up” and the “hundred years of humiliation” are a thing of the past. Fourth, there is the concern over Chinese nationalism being seen as Han chauvinism while Beijing contends with ethnic issues. And finally, endorsing and encouraging nationalism raises the specter of “the China threat,” especially when nationalism translates into irredentist demands and display of force related to
China’s unresolved territorial disputes with its neighbors. China’s current leaders therefore have to strike a delicate balance between appealing to the nationalist sentiments and heeding to the national interests (Shirk 2007).

**China’s role in regionalization**

To what extent and indeed if at all, do Chinese nationalism and national identity affect its attitude toward regionalism and regionalization? As many analysts would agree, while nationalism and national identity have served particular purposes during different periods of time in China’s history and at times have even been exploited by the state and the leadership for legitimacy and to strengthen state power, their impacts on Chinese foreign policy behavior are at most only constraining than determinative. Regionalization as a process of developing closer economic cooperation and building security communities based on shared common interests and a functional approach to efficiency offers both challenges and opportunities for China. Clearly, since the end of the Cold War, China’s economic interaction and interdependence with Northeast and Southeast Asia have greatly expanded and deepened, with many of the neighboring countries now becoming China’s major trading partners, the destinations and sources of investments, and critical elements of economic growth. In institutional terms, regionalization has lacked behind what has been already achieved on the ground but the continuing growth requires and provides incentives for regionalization to tap into human resources, capitals, technology, and the manufacturing and trading power (Frost 2008; Mansfield and Milner 1997). In Asia’s case specifically, regionalization and regionalism are but of recent phenomenon as the region traditionally has been governed with either a tributary structure of international relations with China at the center; an imposed hierarchical system with Japan as the hegemon; or a bipolar system during much of the Cold War (Kim 2008).

China’s pursuit of hard power capabilities in the early 1990s—calls for building up the country’s comprehensive national power, growing defense spending and major weapons procurement, coupled with Beijing’s strong anti-hegemony rhetoric and its demonstrated reluctance in endorsing and participating in regional security dialogues turned out to be rather counter-productive. Since then, Beijing has made significant policy adjustments to better serve its national interests, namely, to preserve a peaceful external environment for continued economic developments, to assure neighboring countries and the world its peaceful intentions even as its power increases, and find ways to soft balance the USA or at least to foil Washington’s efforts in weakening, encircling, or containing China. What evolved is the so-called “new security concept” in that Beijing not only endorses multilateral security dialogues, it actively participates in developing such mechanisms are alternatives to military alliances, and it even begins to take the lead in establishing, nurturing, and promoting regional politico-security arrangements such as SCO (Gill 2007; Medeiros and Fravel 2003).
Indeed, China’s attitudes toward regionalism in terms of economic integration have registered the most noticeable shift. Since the Chinese leadership adopted the policies of reform and the opening up to the outside world, the old self-reliance and central planning have been gradually replaced with market-oriented economic policies. China has benefited from greater integration into the global economy and from foreign direct investments and technology transfers, and from the growing globalization process. China has formed close economic ties with the ASEAN since the 1990s and the two are negotiating a China-ASEAN free trade agreement to take effect by 2010. China has become the largest trading partner for both Japan and South Korea in the last few years (Lardy 2002; Rosen 2008).

Even where security issues are concerned, Beijing’s approaches to multilateralism have also undergone significant changes over the past 15 years. Indeed, from its rather suspicious view of the then emerging multilateral security institutions in Asia, such as the ASEAN Regional Forum (ARF) in the early 1990s, to reluctant, tentative, and conditional participation, to its current more confident and closer engagement in multilateral processes dealing with a range of security issues and challenges, Beijing’s changing attitudes and approaches are significant and have important implications for Asia’s geostrategic realignment, its future security architect, and regionalism. These changes are taking place at a time when China’s economic power, military prowess, and political influence are in ascendance (Kuik 2008; Qin and Wei 2008; Saunders 2008; Wu 2009).

Finally, as a late comer, China’s understanding of, and approaches to, regionalism are invariably cautious and gradual as it is still undergoing a process of socialization. That process involves a readiness to redefine one’s national interests; a preparedness to re-negotiate and even accept limitation on one’s sovereignty and a willingness to tolerate short-term loss for long-term gains (Johnston 2008; Kent 2007). Chinese understanding and discussions suggest that when they refer to regionalization in Asia, they refer to four competing concepts: “flying geese”-model; “Greater China”-model; “balance-of-power” or “concert-of-powers”-model; and the “ASEAN Way.” Beijing is more inclined toward the ASEAN model, and the ASEAN+3 processes, although in practical terms it has also been receptive to the “concert-of-powers” concept. There is also a strong emphasis on the number of players and the interactive processes rather than the structural implications of regionalism and/or regionalization (Tang 2008; Wang 2003; Zheng 2008).

**China and East Asian regionalization**

In East Asia, Beijing’s earlier and public denouncement of the US-Japan alliance and Cold War mentality has been gradually replaced with calls for diplomacy, dialogue, and the development of regional institutions. These efforts apparently are paying off. Indeed, many are surprised at the gains China has made in the region that only a short time ago had harbored strong suspicion of Chinese intentions and ambitions, which had been amply displayed in the construction on the Mischief Reef in the South China Sea and the PLA’s missile exercises adjacent to Taiwan in
2005–2006. The “China threat” was then a popular selling point and had a more receptive audience. But Beijing’s leadership has since dramatically modified its tactics if not the essence of its policy objectives. Beijing has put forward a “New Security Concept” that appeals to and is compatible with the “ASEAN Way” of working on security issues, and has become an active participant in the region’s only multilateral security arrangement (ARF) something that it had shunned in the early 1990s. In earlier years China considered the ARF a thinly veiled attempt by the region’s states to gang up against China. Beijing’s diplomacy has become more proactive, confident, and skilled as China’s power and influence continue to rise in regional and global contexts (Kuik 2005).

Not only has China embraced multilateralism, but Beijing has also actively promoted itself as an alternative to the existing “hub-and-spokes”-type of regional security architecture (Lai 2004). Beijing has also significantly moderated its approaches to territorial disputes, by signing a declaration on the code of conduct in the South China Sea that commits it, in principle at least, to peaceful solutions to the disputes. It has also acceded to the ASEAN Treaty of Amity and Cooperation, the first major power to do so, effectively accepting the organization’s principles of respect for sovereignty, non-interference in domestic affairs, and the code of consensus in reaching decisions (Yuan 2006).

What, one would ask, explains Beijing’s changing attitude toward ARF from its earlier suspicion of ASEAN’s efforts? Both Amitav Acharya and Alastair Iain Johnston note the fact that the unique features of ARF’s multilateralism that emphasizes open regionalism, informality, consensus-building, cooperative security, and multiple channels of dialogue convinced an apprehensive China that the potential costs of engagement were minimal. Needless to say, one of the purposes of ASEAN-led regional multilateral efforts was to “engage China and integrate it into a system of regional order, thereby reducing the need for provocative strategies of ‘containment’” (Johnston 2008; Acharya 1997, 8).

Overtime, China has come to appreciate and begin to endorse the ARF, and certainly its gradual and non-constraining process. Not only has Beijing become more comfortable with ARF and its undertakings, it has also become more active in promoting ARF as an alternative to the US-led alliance systems of regional security. By showing a willingness to participate in the ASEAN-led regional multilateral security arrangement, China has also been able to (i) militate against the concern over its rise and hence remove the “China threat”-rhetoric; (ii) influence ARF’s agenda setting and expand its influence within; and (iii) promote a secure and stable peripheral security environment for its growing economic interests (Deng 2008; Kuik 2004; DeSantis 2005).

Indeed, China-ASEAN relations have evolved from enmity and suspicion to amity and greater cooperation on a broad range of issues. Joshua Kurlantzick (2007) captures this dramatic development in a recent book that records China’s “charm offensive.” Beijing’s exercise of its new found “soft power” offers many opportunities (Mydans 2007). Having established a strategic partnership, the two sides are working toward building a stable, long-term relationship for the future.
Beijing’s efforts to assure its neighbors through the so-called “new diplomacy” have paid off in winning the confidence of its smaller neighbors (if not completely erasing disputes between them). Beijing’s response to the 1997 Asian financial crisis, in particular, enhances its potential leadership role in the region (Haacke 2002; Ba 2005, 637–638).

Thus, within a decade, owing to growing interdependence and skillful Chinese diplomacy, there has been a steady improvement in the relationship between China and ASEAN; this has allowed Beijing to exercise greater influence in the region (ASEAN Secretariat 2004; Medeiros and Fravel 2003; Womack 2003/2004; Roy 2005, 309). China and ASEAN are also expanding areas of cooperation in the non-traditional security areas—including sea lanes and communication security, anti-terrorism, anti-piracy; ecological issues related to the Greater Mekong River project and other environmental issues, responses to the outbreak of SARS, transnational organized crime and money laundering, etc. (Cai 2005). Chinese Premier Wen Jiabao has proposed that mulin, anlin, fulin (“friendly neighbors—peaceful coexistence, regional stability and harmony”; “secure neighbors—regional peace and stability through dialogue, negotiation to resolve disputes,” and “rich neighbors”—develop and deepen regional and sub-regional economic cooperation, and promote regional integration) (Lu 2003).

China and the Shanghai Cooperation Organization

The Shanghai Cooperation Organization was formally established in June 2001. Originally a multilateral mechanism aimed at resolving the boundary issues and stabilizing the border regions between China and the former Soviet Union through confidence building measures and reduction of military forces, the Shanghai Five—as it was known at the time—gradually moved toward taking on additional tasks. At the 1998 Almaty summit, the Shanghai Five began to move beyond border confidence building to focus on the growing threats of religious extremism, ethnic separatism, and emerging terrorism in the region. The Bishkek meeting of August 1999 endorsed the establishment of an anti-terrorism center. The Shanghai Five also introduced regular and institutionalized channels among prime ministers and officials in member states’ government ministries in charge of foreign, defense, public security, border guards, and law enforcement (Bailes et al. 2007; Clarke 2009).

Both Russia and China, the organization’s most powerful members, have sought to promote SCO as an embodiment of the new security concept and a new type of multilateral institution in the post-Cold War environment (see Chapter 11). They have stressed that SCO is not a military alliance directed against any third parties, a process of dialogue and consultation on an equal basis, and a mechanism for enhancing regional cooperation in political and economic spheres. Chinese officials in particular have referred to the “Shanghai Spirit” as the underpinning of SCO, characterized as containing five “C”s—confidence, communication, cooperation, coexistence, and common interests—and three “new”s—new type
of interstate relationships, new security concept, and new model of regional cooperation. Officials note that one of SCO’s key purposes is to provide a regional mechanism to fight the so-called ethnic separatism, religious extremism, and transnational terrorism (Wang 2008). In addition, the organization’s call for building a new international political order based on multipolarity in international relations and its opposition to interference in domestic affairs is clearly aimed against Western support for the “colored revolutions” (Ding 2006).

While the process of SCO’s institution building has been slow and indeed the post-“9/11” developments have raised questions about the very viability of the organization, the past few years have seen the organization’s revitalization as an increasingly important force in Central Asia (Kavalski 2009b). In January 2002, SCO foreign ministers held a meeting in Beijing and announced the establishment of a regional anti-terrorism structure (RATS) capable of speedy intervention in a Central Asian crisis (Eurasia Insight 2002). RATS was formally established in 2004. In recent years, anti-terrorism mechanisms of the SCO, CSTO, and CIS have discussed how to better coordinate in their joint efforts in combating international terrorism by sharing information, developing legal frameworks, and participating in joint operations (Al-Qahtani 2006).

With Mongolia, India, Pakistan, and Iran now as observer states, the SCO has extended its span over the vast Eurasian landmass, South Asia, and the Persian Gulf. With the establishment of the SCO Secretariat in Beijing and RATS headquarters in Tashkent, member states are moving toward actual implementation of declared policy goals. For instance, since 2003, a number of joint anti-terrorism military exercises have been held. The most recent and the largest so far, the August 2005 Sino-Russian “Peace Mission 2005” involved close to 10,000 troops and sported a variety of advanced weapon systems. “Peace Mission 2007,” held in August 2007, involved all the SCO member states (DeHaas 2007).

While SCO is a critical part of Chinese efforts to stem and eradicate external links to domestic separatist and terrorist cells, Beijing has also reached out to states in the region suspected of providing havens for terrorist organizations. Indeed, China has normal working relations with Iran, has acknowledged informal contacts with the Taliban government, and maintains a close relationship with Pakistan (Murphy and Lawrence 2001). Whereas China’s domestic approach to separatist and terrorist groups emphasizes repression and the use of force, its approach to Islamic countries tends to be more moderate (see Chapter 12). China typically seeks cooperation in preventing terrorist organizations in Islamic countries from providing support to separatist groups operating within China (Eckholm 2001; Times of India 2002).

For Beijing, the immediate focus of the SCO is fighting terrorism, but the larger issue for the longer term is whether the organization can evolve into a sub-regional arrangement that would contribute to peace, stability and prosperity. China has already suggested the organization’s uniqueness and has great interest in seeing it succeed as a counter model to US-led military alliances. Toward this end, Beijing has devoted greater energy and resources in facilitating the institutionalization of
the organization in the last two years and promoting closer cooperation between member states in anti-terrorist and separatist campaigns, including joint military exercises (Pan and Hu 2006; Stobdan 2008). Finally, with its growing economy, China will increasingly turn to Central Asia for its energy supplies.

**Whither East Asian regionalization?**

Perhaps the most critical and yet the least developed is the regionalization process in East Asia, with three powers—China, Japan and South Korea at once increasingly integrated economically and intimately interwoven and affected by one another’s security policies, with history, identity, and nationalism affecting reconciliation, peace and stability, and future prosperity for the region (Jager 2007). There are multiple, complex reasons, with both economic-commercial pulls toward regional integration and geo-political pushes against regionalization. The fact the three countries have had long histories of interactions, some of which are overshadowed with memories of violence, can become a major obstacle toward closer cooperation. Nationalism can easily be stoked and each is sensitive to the others’ interpretation of history. This is particularly the case with regard to China’s and South Korea’s relations with Japan.

Sino-Japanese relations experienced their most serious deterioration during 2001–2006, when Junichiro Koizumi was the Japanese Prime Minister (*The Economist* 2005; Brooke 2005; Yahuda 2006). Three issues in particular strained the bilateral relationship: the historical baggage and growing nationalism in both countries; territorial disputes, especially in the context of Beijing-Tokyo competition for energy resources; and Japan-Taiwan ties, which Beijing views as blatant interference in its domestic affairs. These developments are taking place at a time when both countries are experiencing generational change in leadership on the background of changing domestic politics and volatile international environment (Drifte 2003; Wan 2006; Hagström 2005; Lam 2006). In this context, rising nationalism further heightens animosity and fuels a dangerous rivalry.

Historically, East Asia has experienced three transformations in its international system: the Chinese tribute system, the Japanese imperial system, and the Cold War system (Kim 2008). During the Cold War, East Asia was first divided into two ideological camps—the Soviet Union, China and North Korea in one and the USA, Japan and South Korea in the other, followed by the re-alignment of China, Japan and the USA forming a united front against the Soviet Union, leaving the two Koreas much to the periphery of the region’s geo-strategic rivalry. The post-Cold War reconfiguration has seen the declining influence of Russia, an emerging US-China-Japan triangular relationship, and an increasingly unpredictable North Korea. While all agree on the need to defuse and eventually resolve the North Korean nuclear issue, there is no firm consensus on the form and substance of a post-Cold War security architecture of the region.
Post-Cold War Chinese foreign policy has clearly been driven by its renewed focus on East Asia, for both security and economic reasons. Japan remains the economic and technological leader in East Asia while South Korea’s phenomenal economic growth has elevated it among the world’s leading industrialized countries. Beijing has a lot to gain from cooperation with these countries. At the same time, the instability on the Korean peninsula caused by Pyongyang’s reckless pursuit of nuclear weapons and ballistic missiles, if not checked and reversed, could seriously affect China’s key foreign policy objectives. Washington’s presence in the region and its effort to strengthen relations with Tokyo and Seoul, add another layer of complexity for Beijing’s foreign policy calculations (Hinton 1994; Saunders 2008).

China’s participation in the ARF and its interactions with ASEAN since the early 1990s have gradually nurtured a sense of regional belonging and identity as much as removed Beijing’s earlier suspicions and resistance. As commerce and investments deepen over the years, so have their mutual interests, providing the necessary conditions for regionalization. Over time, other regional intergovernmental arrangements have also been introduced, with ASEAN leading the way to promote an East Asian community that can further facilitate intra-regional economic ties and develop mechanisms for addressing the region’s security challenges, both traditional and non-traditional. Within this broad framework of what Paul Evans defines as regionalism—“the expression of a common sense of identity and destiny combined with the creation of institutions that express that identity and shape collective action”—China is becoming increasingly comfortable with and even proactive in participating in “AEAN+3” and the East Asian Summit (inaugurated in 2005). Not coincidentally, this more active pursuit of regional agendas correspond to Beijing’s domestic policy priorities of economic developments and social stability and its outward-oriented strategy of promoting a harmonious international system in which peace and development form the core of Chinese foreign policy (Evans 2005, 196).

Beijing’s policy toward East Asian regionalization has remained one of support and endorsement in principle but caution and patience in moving the process forward. Indeed, there is no evidence that Beijing is eager to assume a more proactive leadership position even as its influence continues to grow. There are obviously issues of leadership and competition, the legacy of history, unresolved problems in the region (such as territorial disputes), and competing policy priorities—ad hoc arrangements vs. institution and community-building, and processes vs. substance. The first ever China-Japan-South Korea trilateral leadership meeting held in Fukuoda (Japan) in December 2008 is a clear indication that the three countries remain committed to building an East Asian economic (and over time, security) community. While a more rigorous regionalization process has the potential of leveraging comparative advantages among the key players and promoting collective identity embodied in the East Asian Community, overcoming the above-mentioned obstacles would require painstaking efforts by all, and an active participation of the USA (Gilson 2007; Funabashi 2009).
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Chapter 6
From Adapting to Shaping: Contextualizing the Practice of Regionalization in China’s Foreign Policy
Enyu Zhang

Introduction

Before and during the 2009 London G-20 Summit, China showed more confidence on the world stage by openly blaming the USA and its regulatory framework for igniting the current global economic recession and by calling for creating a new economic order in the world and replacing the US dollar as the world reserve currency. Beyond symbolism and politics, such rhetoric is indicative of Beijing’s growing confidence on the world stage.

In the last three decades, the People’s Republic of China (PRC) has become progressively more active in pursuing its broad national interests overseas and projecting its international image through a range of foreign policy instruments. Most notable is Beijing’s embrace of international regionalization (i.e., region-building) in East Asia and beyond. To better understand what has driven China’s policy towards international regionalization, it is important to perceive China’s role in the world and its foreign policy as a dynamic “motion picture,” rather than a static snap shot of a certain point in time (Christensen 2008).

This chapter aims to contextualize Beijing’s regionalization policy and position it within the broad spectrum of the strategic goals and choices in China’s external relations. It argues that international regionalization has developed as an increasingly crucial strategic instrument in China’s foreign policy, as a function of Beijing’s adaptations to the changing domestic and international environment. More importantly, China’s enthusiasm for regionalization is the outcome of political learning, which is supported and promoted by the evolving intellectual and policy discourses among the Chinese elites and policy-makers as a drive to establish China’s international identity as a peaceful power. The chapter is divided in four sections. Firstly, it analyzes Chinese strategic culture. Secondly, it surveys the historical evolution of China foreign policy priorities since 1949. Thirdly, it analyzes the broad spectrum of the strategic goals and choices in China’s foreign policy against the backdrop of the changing domestic and international environment. Fourthly, it attempts to position China’s policy towards international regionalization in those larger contexts.
Chinese strategic culture

Contemporary Chinese politics have inherited and maintained traditions rooted in the political culture of Confucianism and Taoism that emphasize hierarchy, loyalty and guanxi (personalized relationships/connections) (Pye 1967). The traditional Confucian society was built on cultivation and management of interpersonal connections that often embody a sense of friendship; people do not trust impersonal legality. In the Chinese perception, for instance, terms such as “friendship” and “old friends” indicate a strong sense of obligation and loyalty to provide support and help because Chinese society values collectivism and interdependence.

More specifically, traditional Chinese strategic thinking evinces a contrasting perception of the causes and aims of war from the precepts of Western thought. The philosophers from the Spring and Autumn Period, and the Warring States Period (770–221BC), including Mo Zi, Guan Zi, Mencius and Xun Zi, all emphasized yi (or moral justice) of war and condemn pursuit of li (or interests) in a war. Mao Zedong’s military doctrine inherited from this tradition by upholding the dao (or moral justice), with a strong belief that the side that acquires the dao can always win regardless of its physical strength and power. Although contemporary Chinese foreign policy has become more realist-oriented and interest-driven, a traditional focus on the moral and ethical dimensions of peace and conflict is still influential (as illustrated by the Five Principles of Peaceful Coexistence and the recent discourses on “building a harmonious world”). Such an emphasis on the cultural-historical contexts of foreign policy has produced insightful observations on the underlying frameworks of China’s strategic culture (Shih 1990; Feng 2007).

Chinese strategic doctrine stresses dialectical reasoning, which is seen as part of the orthodox worldview of Marxism-Leninism and Mao Zedong’s thought (Bobrow et al. 1979). In dealing with international crises, for instance, four bimodal attitude pairs—optimism–pessimism, boldness–caution, rigidity–flexibility, and emotional arousal (subjectivity)–analytic distance (objectivity)—provide mental readiness and cognitive heuristics for the management of long-term Chinese foreign policy “strategies” and short-term decision “tactics” for situations requiring immediate action (Bobrow et al. 1979, 54–67). Another case in point is deliberate ambiguity often demonstrated in Beijing’s handling of foreign and military affairs. Studies have indicated that Chinese decision-makers seem to prefer secrecy in decision-making compared to their American counterparts, because secrecy helps maintain not only the public persona of decision-makers but also a psychological distance from the outside counterparts (Gaenslen 1986). The legacies of such traditions emphasize ambiguity and secrecy as important stratagems for achieving victory, even against an opponent with superior material power and military capability (Zhang and Yao 2004). In his comprehensive account of Chinese negotiating strategies and tactics, Solomon (1999, 4–5) argues that the distinctive Chinese negotiating style derives from an idiosyncratic combination of three traditions: (1) Western diplomatic practice; (2) Marxist-Leninist approaches; and (3) most importantly, China’s own cultural traditions and political practices. In the eyes of
Western observers who are accustomed to abstracting logical analyses with clear definitions, categorization and propositions, the lack of transparency in China’s strategic thinking is usually attributed to the fundamental institutional pathologies of its communist system. While this may be true, another source—deeply rooted in Chinese strategic culture—is frequently ignored.

**Evolution of China’s foreign policy priorities**

Concurrent with the leadership transfer in Zhongnanhai, China’s foreign policy features four periods with their distinct priorities since 1949: (1) under Mao Zedong, China’s foreign relations were guided by the communist ideology, based on revolutions and class struggles; (2) under Deng Xiaoping, China shifted its focus on economic reforms and opening up to the outside world in order to establish its “comprehensive national power”; (3) under Jiang Zemin, China consolidated its relations with major powers and deepened its economic ties with all regions; and, (4) currently, under Hu Jintao, China has strengthened its role as a “responsible stakeholder” in the international community and engaged in more frequent and in-depth international regionalization.

With the founding of the PRC in 1949, Beijing immediately fell in the whirlpool of the Cold War that featured ideological confrontations and rigid zero-sum games of political and security interests. In the decade and a half after the Korean War, the “iron curtain” that draped in the hostile geostrategic environment of Asia ushered in a Western diplomatic isolation of China accompanied by economic embargoes. This pushed Beijing to rely even further on the Soviet Union through its “leaning to one side” policy. The Taiwan Strait crises in the 1950s brought Washington and Beijing to the brink of another war (Christensen 1996). Yet, the growing ideological split between Beijing and Moscow eventually opened the door for the US-rapprochement with China in the early 1970s, which strategically shifted the global balance of power in the remaining of the Cold War.

Since Deng Xiaoping came to power in 1978, China has shifted its direction towards economic reforms and opening up to the outside world. China established diplomatic relations with the USA on 1 January 1979, which dramatically improved Beijing’s relations with the West in general. Beijing started to present a benign image to the outside world, and foreign investment started to flow into the Special Economic Zones along the southeastern coast. Bearing Deng’s adage “groping for stones to cross the river,” China’s foreign policy has fundamentally shifted from the revolutionary-ideology-driven, rigid confrontation to a cautiously flexible and pragmatic approach in order to serve the central task of economic development. Most telling of this approach was Deng’s 24-character principle for handling foreign affairs: “Observe the development soberly, maintain our position, meet the challenge calmly, hide our capacities and bide our time, remain free of ambition, never claim leadership.” Following this principle, China largely was a passive participant in world affairs, especially in the UN and other international
organizations. The strategic importance of Deng’s adage provided China the time and space to develop its economic capacities. In the aftermath of the Tiananmen crackdown, for instance, the fast expanding and deepening ties with the world economy significantly minimized the political and diplomatic damage brought by international condemnations and sanctions. In 1991, Japan was the first to lift its lenient sanctions against China (i.e., suspension on its Official Development Assistance to China), which Tokyo had reluctantly announced as a non-committal yield to its domestic and international critics of its lack of punitive measures. Similarly, the USA and other Western countries soon started to soften their harsh rhetoric and gradually lift all the sanctions against China (Li and Drury 2004).

The end of the Cold War, to a considerable extent, improved China’s geostrategic environment and its relations with other actors. In the early 1990s, for instance, Beijing normalized the relations with Indonesia, Singapore, Brunei, Saudi Arabia, and South Korea. Meanwhile, the abrupt disintegration of the Soviet Union and the Communist Bloc prompted turmoil about China’s identity (Deng and Wang 2005). This assisted the rise of nationalism as both a substitution of communist imperatives and a new momentum in China’s foreign policy (Zhao 2004). Even though the post-Cold War era, in many respects, has featured various forms of American hegemony, Beijing chose to define the pattern of global politics as “multipolarization” (duojihua) and highlighted in the official discourse of the 14th CCP Congress in 1992. Such characterization notwithstanding, many Chinese elites have gradually internalized much of the neoliberal thinking that eventually informed Beijing’s broad foreign policy strategy and practice of international regionalization.

China’s foreign policy evolved with a growing ability to adjust to the dynamics of its domestic priorities and international environment. Thus, while reiterating the importance of developing China’s “comprehensive national power,” Jiang Zemin re-oriented the principle for foreign affairs to “gearing with the world” (yu shijie jiegui) (Zheng and Tok 2007). Such conceptualization marked the beginning of China’s efforts to simultaneously expand and deepen its economic and political ties with other regions. Some analysts suggest that Beijing’s strategy in the mid 1990s was to promote China to become a great power within the US-dominated unipolar world (Goldstein, 2005). The new phase of domestic reforms and the growing economic globalization have further boosted Beijing’s international confidence and influence. China’s accession to the World Trade Organization (WTO) was the most audacious move to “gear with the world.” China was also the first major power to establish a strategic partnership with ASEAN (see Chapter 10). These bold moves not only demonstrated Beijing’s informal leadership in regionalization, but also prompted Japan and South Korea to be more engaged in regional affairs. The stage for China’s diplomacy, without doubt, gradually has expanded from its vicinity in Asia to other parts of the world.

Under Hu Jintao, China’s foreign policy has continued with this general direction. Hu Jintao has put forward a four-point proposal for building a “harmonious world” (hexie shijie) during his speech at the UN’s 60th anniversary in September
2005. The proposal highlighted China’s support for cultivating common security, common prosperity, and the spirit of harmonious coexistence and inclusiveness in a world in which the authority of the UN will be maintained. In his opening report to the 17th CCP Congress in October 2007, Hu Jintao reaffirmed the notion of building “a harmonious world of lasting peace and common prosperity” and reiterated China’s commitment to peaceful development and a win-win strategy of opening up to the world. Following Hu’s policy discourse, China has put a greater emphasis on multilateral regionalization and the friendly neighborhood policy. The “harmonious world” discourse features an embryonic attempt to showcase China’s ideational power and shape its identity as an advocate for a peaceful, prosperous, and harmonious world that includes and accommodates different civilizations.

Overall, China’s foreign policy, similar to its unprecedented economic and social reforms, has demonstrated far-reaching transformations through a generally consistent, measured and incremental approach. It has shifted from the ideologically-driven, rigid zero-sum games that focused on political and security issues to interest-driven win-win pragmatism revolving around economic development and other areas of transnational cooperation, and increasingly, to the identity-driven (e.g., soft power) ability to (re-)shape the regional and world orders. Beijing’s passive and reactive approach to external pressures and the changing international structure has given way to active engagement in bilateral and multilateral arenas. This corresponds to China’s growing national power accumulated through its impressive economic growth in the past three decades. Equally important, the focus of China’s diplomacy has expanded and diversified from primarily bilateral relations, especially those with great powers, to the comprehensive strategy of advancing bilateral and multilateral relations at regional and global levels (including regionalization). Beijing has paid increasing attention to the middle and small powers within China’s vicinity and beyond since the late 1990s. Previous clumsiness and bluntness in China’s diplomacy has been replaced with a more sophisticated and refined approach and a deft ability to utilize various instruments to achieve foreign policy goals.

China’s foreign policy: Strategic goals and choices

Regionalization, like globalization, is a relatively novel concept with only a brief history in China’s foreign policy lexicon (Moore 2005). With the end of the Cold War, concepts like “globalization,” “regionalization,” “multipolarization,” and “multilateralism” have gained prominence in China’s foreign policy circles, intellectuals, and the media. It is essential to juxtapose Beijing’s policy towards regionalization with the broader spectrum of the strategic goals and choices in China’s foreign policy.
Strategic goals and choices in China’s current foreign policy

China’s overall strategic goals, along with its approach to regionalization, have evolved in the changing structure and dynamics of the international system. Beijing’s practice of regionalization must be understood within this context. Until the 1970s, China was significantly alienated in the bipolar structure of the Cold War and played the role of a secondary power pushing its radical communist revolutionary agenda overseas (see Chapter 13). Zero-sum power politics was the order of the day. It was not until the 1980s that Beijing started making the phrase “national interest” explicit in its foreign policy rhetoric (Zhang and Yao 2004). Meanwhile, continued globalization and Beijing’s economic reforms fundamentally pushed the dynamics of interdependence to the fore.

In contrast to the opportunities and benefits for the rest of the world, China’s continuous strong economic growth has also provoked misgivings about China as a “revisionist power,” which is poised to disrupt many countries, particularly in its immediate neighborhood (Johnston and Ross 1999; Shambaugh 2004/2005). In spite of the vast range of business opportunities and benefits brought by China’s economic rise, Beijing continues to be criticized for its human rights record (Kurlantzick 2007). To alleviate these concerns, some Chinese scholars have vigorously proposed the “peaceful rise” theory (Yan 2004; Zheng 2005), arguing that China seeks to be incorporated in the current international order and its rise is intended to be peaceful. However, such rhetoric was received with much suspicion and thus short-lived; it later metamorphosed into the policy of “peaceful development” (Suettinger 2004). Consequently, beyond the internal driving forces for regionalization, Beijing’s adaptive policy of regionalization can be interpreted as a reaction both to the various “China threat” perceptions and to the acts of “balancing China,” which attests the uneasiness felt in different quarters about China’s rise.

China’s current foreign policy strategy, therefore, features a combination of promoting economic ties (through trade and investment) and exercising its soft power, backed up with its modernizing military forces. The goal is to establish and extend a conducive environment for the conduct of China’s foreign policy. In 2005, the then Foreign Minister Li Zhaoxing wrote in the People’s Daily, “the vigorous pursuit of peace, development and cooperation by the people of all countries has formed a tide of history… China’s diplomacy has made bold headway, serving domestic development and contributing to world peace and common development.” Similarly, China’s National Defense in 2006 states:

China’s national defense and military modernization, conducted on the basis of steady economic development, is the requirement of keeping up with new trends in the global revolution and development in military affairs, and of maintaining China’s national security and development. China will not engage in any arms race or pose a military threat to any other country.
China’s overall goal is to maintain a peaceful and stable international environment for continued growth of its economy and to dissuade any aggressive collective balancing against itself premised on the “China threat” concern. As Medeiros and Tayloar (2003, 24) argue, “China’s approach to bilateral relations, multilateral organizations, and security issues reflects a new flexibility and sophistication. The changes represent an attempt by China’s recent leaders to break out of their post-Tiananmen isolation, rebuild their image, protect and promote Chinese economic interests, and enhance their security.” Similarly, Goldstein (2005) identifies two essential elements in China’s grand strategy: (1) an active interlock of the indispensable interests between China and other great powers through various types of partnerships and (2) an active and comprehensive diplomacy aiming to establish China’s reputation as a “responsible stakeholder” in the international community. In this respect, China’s foreign policy strategy since the 1990s can be characterized as consolidation and assurance. Consolidation refers to the broad effort to maintain and strengthen the previous amicable and constructive relations with countries in different regions across the globe, with a particular emphasis on nurturing trust and building partnerships with developing countries in Asia, Africa, Latin America, and the Middle East. Assurance refers to the concerted effort to assure other countries of China’s peaceful intentions that will not lead to a repeat of history and would not lead to a disruptive challenge to the stability of world order.

Modern China, at least implicitly, seems to share the historical identity of ancient China in the mission to restore China’s glory. Bearing the legacy of historical dominance in East Asia, China has sought the great power status by “defining its largely regional interests in global terms” (Brittingham 2007, 98). Therefore, Beijing expects to be treated with the respect of a global power. Meanwhile, as some scholars point out, such status does not necessarily come with the responsibilities that China is expected to undertake. For the past three decades, it is clear that economic strength and military might are not sufficient for China to be respected as a great power on the global stage; a full recognition of such status requires meeting the normative standards of the existing (Western) international order (Brittingham 2007, 102). In other words, what matters to China and yet what it seems to lack is to be widely accepted as a great power in the current international system. Between the two alternatives—either to embrace the current system and play by the rules or to challenge and replace the current system—for China, the former appears to have provided a viable path. Despite such a consensus on Beijing’s strategic priorities (Sutter 2008), scholars and policymakers in other countries appear to remain uncertain about its long-term goals and strategies. Neither theory-driven scholarship nor policy-driven debates in the past two decades have produced any definite conclusions on China’s international agency.
Policy towards regionalization

At a more specific level, China’s stance towards regionalization has evolved from ambiguity and caution to engagement and active promotion. Beijing started as an observer and gradually turned into an active participant, and in some forums or on some issues, an active leader in regional cooperation (Wu 2009).

During the Cold War, China had no specific regional policy. As Kim (1995, 464) points out, “none of China’s multiple identity-enactments and role-playing had much to do with Asian regionalism.” Similarly, Levine describes China as “a regional power without a regional policy.” He argues that

China has regarded its conflict with Vietnam as a microcosm of a global struggle against Soviet expansionism. It sees its support of Malaysia’s and Indonesia’s claims to the Straits of Malacca as part of a broader pattern of Third World opposition to the maritime hegemony of the superpowers. It portrays its policies toward Taiwan and South Korea as examples of a worldwide resistance against American imperialism. It depicts its trade with ASEAN as an instance of South-South economic cooperation. (Levine 1984, 107–111)

Aside from the unfamiliarity of multilateral diplomacy, Beijing’s initial caution towards regionalization primarily derived from its profound concerns about (if not fears from) entrapment in regional multilateral institutions. Due to this historical context, as Gill and Green (2009, 13) argue, “both Hobbes and Kant are alive and well in Asian’s multilateral process, and neither can claim dominance over the region’s future.”

In the post-Cold War era, with the continuing growth of China’s “comprehensive national power,” foreign policy makers in Beijing have had no other choice but to adapt to the reality of regional integration, as reinforced by the changing perceptions of Chinese elites. On the operational level, China’s foreign policy still revolves around bilateral diplomacy, particularly with great powers and strategic players. This, however, does not diminish or contradict with the strategic importance of regionalization in China’s broad spectrum of foreign policy instruments. Since the 1990s, Beijing has gradually recognized international regionalization as an effective instrument for furthering China’s broad foreign policy goals and strategies. Two decades of engagement in various regional forums and institutions not only has boosted Beijing’s confidence and stature in these regional settings but has also allayed China’s earlier anxiety about getting enmeshed in such arrangements. Regionalization has (inadvertently) provided critical venues for socializing China into new ways of foreign policy thinking, discourses, and norms that would promote broader conceptualizations and accommodations of common interests and identities (Johnston 2006). In this respect, the dynamics of Beijing’s regionalization strategy, on the one hand, socializes the countries from a particular region into China’s perspectives, while, on the other hand, provoking adaptations of China’s overall foreign policy.
While the initiatives and dynamics of regionalization appear to be still fledgling, China’s attitude towards international regionalization is firmly grounded in the fundamental principles of its foreign policy—the Five Principles of Peaceful Coexistence: 1) mutual respect for each other’s territorial integrity and sovereignty; 2) mutual commitment to non-aggression; 3) mutual non-interference in each other’s internal affairs; 4) equality and mutual benefit; and 5) peaceful coexistence. In this respect, what appears to have attracted China to regionalization are the informal confidence-building mechanisms that are based on the principle of noninterference in domestic affairs. Consequently, Beijing has followed the normative guidelines of *mu lin you hao* (good neighbor and friendliness), *yu lin wei shan*, *yi lin wei ban* (having amicable relations with neighbors and having neighbors as partners), and *you lin, an lin, fu lin* (to build an amicable, peaceful, and prosperous neighborhood) (Ren 2009; Wu 2009). The ideational underpinnings of these guidelines have facilitated the shaping of China’s “new security concept” that features cooperative security and comprehensive security.

In other words, it is the very implementation of China’s foreign policy objectives that has demanded a gradual expansion and deepening of relations with different regions across the world. Armed with its economic clout and pragmatic diplomacy, Beijing’s regionalizing “charm offensive” was first promulgated in China’s immediate neighborhoods in Northeast, Southeast and Central Asia and then gradually spread to Africa, Latin America and the Middle East (Kurlantzick 2007). Given the geographical proximity, historical and cultural ties, and the strategic importance for China’s internal stability and development, there is little doubt that Northeast, Southeast and Central Asia are the focus of China’s regionalization. Thus, they are widely regarded as the testing ground of building a “new regional order” (Ren 2009, 307). This is reflected in the multitude of regional arrangements in which China is an active participant.

Aside from the expanding and deepening economic links with its partnering countries, the general effect of China’s regionalization strategy has been to provoke aspirations for emulating China’s economic and social model in those regions. In other words, the communities of practice established in the processes of regionalization have provided venues for promoting and exporting China’s brand of values and norms through the public diplomacy of the “Beijing Consensus” (Ramo 2004). For some observers, China’s regionalization in its immediate Asian neighborhood seems a natural extension of the traditional *Tianxia* system (see Chapter 2). Unlike its covert (and sometimes explicit) support for communist revolutions, national independence and liberation movements across Asia, Africa, the Middle East and Latin America during the height of decolonization and Cold War bipolarity, China seems to have learned to utilize its economic strength and cultural appeal more skillfully. In contrast to the blunt and stiff diplomats of the Maoist period who were mostly trained in rehearsing ideological slogans, Chinese diplomatic corps today is much better educated, more professional, and sophisticated.
Following Hu Jintao’s discourse of building a “harmonious society” (hexie shehui) and a “harmonious world” (hexie shijie), China has sponsored and promoted a range of activities informed by Confucius’ dictum of “harmony is precious” (he wei gui). Since 2004, for instance, China has sponsored the establishment of 256 Confucius Institutes and 58 Confucius classrooms in 81 countries. The result is that over 40 million people around the world are currently learning Chinese as a second language. Such development could not have been in a sharper contrast to Mao Zedong’s denunciation of Confucius and Confucianism as a feudal, anti-revolutionary legacy. To be sure, the renaissance of Chinese values and cultural traditions is a crucial aspect of China’s “charm offensive.” Thus, after a period of adaptations, Beijing has learned to incorporate regionalization as an effective approach and embrace regional institutions as important platforms to advance China’s economic, political and strategic interests. Regionalization now plays an increasingly significant role in China’s overall foreign policy strategy that aims to maintain a peaceful and stable environment for its long-term economic development and social stability. In some areas, it is even safe to say that regionalization has started shaping China’s self-perception of its emerging role in the international community (e.g., SCO).

In this respect, in spite of some initial concerns over the implications of China’s rising power, neighboring countries now generally perceive their partnership relations with China through the prism of multilateral arrangements (Ba 2003; Shambaugh, 2004/2005). Consequently, the consensus emerging from such regionalization is that China’s regional partners should try to acknowledge China’s rising status, accommodate its legitimate interests, incorporate it into the regional order, and socialize it into a more predictable and responsible player for the purposes of regional stability and prosperity (Deng 2008). Of course, the degree of such strategic preference varies by state and by the idiosyncrasies of each regional context.

Shaping China’s foreign policy

Facing the opportunities and challenges in foreign affairs in the new era of globalization and economic interdependence after the Cold War, Chinese elites and decision-makers have increasingly sought intellectual expertise and policy advice from the academia and think tanks from home and abroad. The various discussions have allowed pragmatic and strategic considerations of China’s role in multilateral regionalism, aiming to build a regional architecture that benefits China’s economic, political and security interests in the long run. While it is widely agreed that China should actively embrace regionalization, particularly in East Asia, no consensus has emerged from these debates with regard to how to do so and through what venues or forums. There appears to be some ambivalence (and at times frustration) regarding the involvement of non-Asian actors in Asian regionalization initiatives. A case in point is Beijing’s muted frustration at the fact that Australia, India, and New Zealand were included in the 2005 East Asian
Summit at Japan’s initiative. In this respect, some of Beijing’s region-building attempts appear to have aimed at the strategic exclusions of such external players from the various newly created regional institutions.

More importantly, the changing intellectual discourse on Beijing’s regionalization strategy needs to be positioned within the larger context of discussions and debates about China’s role and place in the current (and future) world order. Such adaptations of China’s foreign policy demonstrate the normative processes of socialization, learning, and internalization of the theory-driven and/or policy-relevant discourses about China’s role in the contemporary international community. On a deeper level, this trajectory reveals the long-term recurring reflections on the intellectual debates, policy deliberations, and learning involving broader constituencies and stakeholders within China.

At the same time, there is little consensus among scholars, strategists and commentators on whether the mainstream theories of international relations can comprehensively explain the changing patterns of China’s foreign policy (Deng 2008). Outside of China, much of the literature revolves around the “neo-neo” debates between realist and liberalist paradigms (Johnston 2003; Kang 2007). In this respect, there is a marked need for new theoretical thinking to engage with China’s international strategy. Only in recent years have some scholars attempted more nuanced analysis with alternative theoretical lenses and concepts (He 2008; Lynch 2009). For instance, He’s (2009) “institutional balancing” and “institutional realism” represent a hybrid model of neorealism (distribution of power) and neoliberalism (economic interdependence).

In contrast to the previous emphasis on the unique nature of Chinese foreign policy, experts have called attention to the necessity “to integrate the field of comparative foreign policy more fully into the study of Chinese foreign policy” (Johnston and Ross 2006, 319). With China increasingly integrated into the international community, scholarship on Chinese foreign policy has contributed to a “great leap forward” by adopting a wider range of perspectives and approaches that inform China’s foreign and security policy making (Robinson and Shambough 1994; Swaine 1995; Zhao 1996; Kim 1998; Johnston and Ross 2006; Niu 2007) and by integrating general foreign policy analysis and empirical studies of Chinese foreign policy (Lu 2000; James and Zhang 2005; Ye 2007; Fravel 2008).

Intellectual and policy circles within China have also showed a keen interest in developing new theoretical paradigms (Qin 2007). Foreign policy making in Beijing has categorically moved towards institutionalization that allows wider space for deliberation and debate. Among the vast literature and scholarship, many leading scholars in China have become especially concerned with China’s lack of “discourse power” (huayuquan)—a lack of ability to project its own ideational power on the world stage. This is symptomatic of two tendencies: (i) at the analytical level, Chinese scholars have yet to engage in rigorous theory-building of international relations that is both independent of Western frameworks and rooted in China’s own intellectual traditions; and 2) at the policy level, China still lacks adequate say in shaping and making important decisions in international
and regional organizations. Such theories would not only require thinking out of the Eurocentric box, but can also promote a better understanding of China’s own worldview.

**Conclusion**

History has taught China that an inward-looking and self-sealed country is most likely to fall behind the rest of the world, regardless of its previous grandeur. For the past three decades, China has generally seized the initiative to develop an outward-looking vision and follow a neoliberal path with an open and fast growing economy and a keen interest in engaging the rest of the world. China’s changing orientation towards regionalization reflects the adjustment to the changing dynamics and structure of the international system, the search for its long-term goals and foreign policy strategy, and the desire for a new identity that it will be regarded as a positive and responsible great power on the world stage (Brittingham 2007, 101).

Gradual yet significant transformations in China’s foreign policy have taken place since 1949, from ideology-driven zero-sum games to the strategic blend of pragmatism and harmonious ideals. Several major forces have driven China to seek more diverse and flexible approaches to its foreign policy: 1) the increasingly plural and open society that demands sustainable economic growth and stability; 2) the ever complex and dynamic environment outside of China, including the opportunities and perils of globalization and regionalization; and 3) Beijing’s conscious effort to boost China’s soft power around the world. If the changing international environment has laid the groundwork for Beijing’s diplomatic adaptations, then dramatic changes within Chinese economy and society provide the material-based inner demand, desire, and strength that can (re-)shape Chinese foreign policy.

These internal driving forces primarily come from two fronts: 1) the political elite and think tanks have helped formulate the rhetoric and pushed the agenda for regionalization and 2) the need for Beijing to pursue cooperation in order to protect and sustain the peaceful environment that is conducive to China’s continued economic growth. While some of these forces are out of Beijing’s control, China’s diplomatic corps, policy and academic circles have become increasingly sophisticated and shrewd about foreign policy strategies and long-term goals.
Chapter 7
The Reluctance of Hegemons: Comparing the Regionalization Strategies of a Crouching Cowboy and a Hidden Dragon
Greg Anderson

Introduction
By the mid-1970s, scholarly debate over the nature of international affairs had shifted decidedly in favor of examinations of new forms of interdependence among states (Cooper 1968; Kindleberger 1968; Keohane and Nye 1972). Post-war institutions such as the UN or the Bretton Woods system had seemingly facilitated a degree of enduring comity among states, reducing prospects of great power conflict. Moreover, scholars noted the relative decline of American economic, political, and military power, the integration of Europe, growing coalitions of like-minded states from the developing world, and the non-aligned movement as evidence of the international system moving toward a post-Westphalian international system characterized by the use of soft power.

Then, in 1976, Stephen Krasner boldly reasserted the role of the state as the primary unit of analysis in international affairs by looking at one area cited by many scholars as emblematic of the growth of interdependence; the international trade regime. “State Power and the Structure of International Trade” reinvigorated the discipline of international political economy, and stimulated even more debate over the nature of power in the international system (Krasner 1976). Krasner’s argument at the time was that openness in the global economy would be greatest during periods when a single hegemonic state was in its ascendancy. Moreover, Krasner argued that when several large, but unequally developed, states co-existed, the more backward states find openness more costly economically and politically, and therefore resist it.

The end of the Cold War (1989–1991) renewed vigorous debate about the nature of the international system. On the one hand, the relative dominance of the USA in economic, political, and military terms led some to conclude we had entered a “unipolar” world centered on American power (Krauthammer 1990; Wohlforth 1999). Others pointed toward the explosion of interdependence and the ascendancy of economics and democratic governance as evidence that we were entering a “multipolar” world rooted in the international rule of law and a “community of states” (Fukuyama 1989; Huntington 1989).
The basic debate over the nature of the international system remains unresolved, and will remain so here. However, Krasner’s 1976 article reignited the debate over hegemony as an anchoring characteristic of the international system. These two themes, hegemony and the international trading system, merit reexamination in the context of China as rising global power. There is still debate about China’s capacity to become a second pole in the international system (Wohlfarth 1999, 33; Lane 2006; Bergsten 2008). China’s rapid integration into the global economy, its explosive economic growth, and its voracious appetite for global commodities have all signaled the country’s potential to be a regional and global power. China has emerged as a key player in global trade and financial relations through its export oriented development model and its accumulation of more than $1.5 trillion in foreign reserves. Yet China remains very much a work in progress as it confronts many challenges along the road to modernization (IMF 2008; Goldstein 1997/1998). As impressive as the growth of China’s hard and soft power have been, much of that growth has been uneven, some of it dependent on export growth. In short, China is not yet a hegemonic power.

However, this chapter is going to take as a given that China’s current trajectory will continue and that it will become a global hegemon at some point in the first half of the 21st century. This chapter is not a test of Stephen Krasner’s thesis, or an effort to re-evaluate debates in international relations about unipolarity vs. bipolarity. Instead, this chapter takes Krasner’s 1976 article as frame of reference for examining China’s integration into the global trading system and does so in the comparative by also looking at America’s current role as the system’s anchor.

As the “unipolar moment” of US-preeminence in international economic affairs gives way (assuming it does) to a bipolar or multipolar system, how can we understand the Chinese approach to global and regional institutionalism in economic relations? What contrasts and parallels can we find in America’s approach to regionalism during the postwar era? And, what prospects for cooperation or conflict arising from shifting hegemonic power in international economic relations can we expect?

This chapter will be divided into four major sections; first, it is worth revisiting the lessons of neoclassical theory on integration familiar to scholars of international political economy; second, an examination of recent American trade policy in bilateral and regional settings; third, the same for Chinese trade policy; and fourth, the record of Sino-US trade relations since Chinese accession to the World Trade Organization (WTO) in 1999.

All of this will develop the argument that although China is not yet a hegemonic power, it is behaving much like the USA has done for most of the postwar period in its reluctance to engage in sovereignty restricting commitments within the international trade regime. Similarly, much like Washington has done through most of the postwar period, we are witnessing early signs that Beijing’s participation in regional economic arrangements has many of the same qualities predicted by both economic theory and the debate over hegemonic stability posited by Krasner concerning the utility of such ties. It is less certain, however, that Sino-
US economic conflict will grow and the global economy will become less open as China rises.

Hence, the sub-title of this chapter, “Crouching Cowboy, Hidden Dragon” is employed to suggest the historical reticence with which the USA and China have approached economic integration with its neighbors and with the world.

**Neoclassical economic theory meets Gulliver**

The emergence of the postwar global trade regime is often cited as evidence of the decline in the role of state power as the main determinant of international politics. The tremendous success of the General Agreement on Tariffs and Trade (GATT) is a case in point. After its creation in 1947 with just 23 founding members, the GATT (rechristened WTO in 1994) has grown to include more than 150 members and facilitated the dramatic expansion of global trade. At the same time the GATT has facilitated more extensive linkages between its members, it has also become emblematic of the growth of institutional governance of the international trade system. In other words, the GATT both governs and facilitates a rules-based system of economic interdependence. At a minimum, such rules imply the disciplining of border measures by member countries that might have a deleterious impact on trade flows. Put differently, such rules imply the erosion of policy sovereignty.

Yet, Krasner’s 1976 article strongly reasserted the centrality of the state as the focus of analysis in the international trading system, after nearly thirty years of experience with the GATT system at the heart of the expansion of interdependence. The international trading system, Krasner (1976, 319) asserts “is determined by the interests and power of states acting to maximize national goals.”

The efficiency gains from the liberalization of trade barriers are well known, and generally undergird the rationale for negotiating in the first place (Wolf 2001). One way to understand China and the USA as hegemonic powers within the international economic system is to revisit the lessons of neoclassical economics about the sovereignty implications of different stages of integration. As states move from relative autarky toward increasing degrees of economic interaction and institutionalization, sovereignty necessarily declines.

**Preferential trade arrangement**

A group of countries that levies lower (or zero) tariffs against imports from members than outsiders. Such arrangements reduce tariffs among members, but not necessarily eliminating them. Agreements inherently involve a degree of discrimination against non-members and entail the shallowest forms of institutionalization. In other words, preferences arrangements seldom involve the creation of supra-national institutions in which sovereignty is pooled.
**Free trade area**

FTAs more often involve the complete elimination of tariffs among members, but again involve a shallow form of institutionalization. FTA member states continue to maintain their own tariff structures *vis-à-vis* non-members. Complicated rules of origin prevent transshipment of non-member products through low-tariff member states, but do not necessarily imply supra-national institutionalization. The loss of sovereignty is restricted to the disciplining of tariffs *vis-à-vis* member countries.

**Customs union**

A customs union represents a significant step toward pooled sovereignty as member states agree to harmonize tariff structures *vis-à-vis* non-member states. Customs unions also entail a significant degree of harmonization of so-called “behind the border” measures among member countries (i.e. subsidies and competition policy). Managing the common external tariff applied to non-members entails a significant degree of institutionalization to manage the common tariff structure, including shared customs and inspections policies and bureaucracies; in other words, the establishment of a supra-national institution.

**Common market**

A still deeper form of economic integration builds upon a customs union and significantly liberalizes all factors of production between members. This includes the free movement of labor within and between member countries in addition to the elimination of all barriers to flows of goods, services, and capital. Such liberalization, particularly of labor, involves significant policy harmonization as control over large areas of governance is pooled among members.

**Monetary union/economic union**

Monetary union implies the adoption of a single currency unit among all member states and broad loss of national sovereignty over most elements of economic policy. Specifically, monetary union implies the loss of monetary sovereignty as a major arm of government economic policy (the other being fiscal policy). Central banks lose their independence to set interest rates in the service of monetary flexibility and governments often agree to significant restrictions on fiscal policy measures so as not to undermine conduct of monetary policy by shared central bank.
Political union

Finally, political union entails the complete elimination of national borders in economic terms and the complete pooling of sovereignty (Mirus and Rylska 2002; Eichengreen 1996).

Gulliver and the neoclassical state

Wherever we look in the global political economy, we see significant variance in degrees of integration and pooled sovereignty. For example, no two free trade areas are exactly alike in terms of the depth of tariff liberalization or the shallowness of institutionalization. However, with each stage of integration, the institutional constraints on policy for the state multiply. Therein resides a kind of “Gulliver” effect for states of varying size and power in the international trading system. For small states, engaging larger trading powers in ever-deeper forms of integration can restrict the arbitrary application of policy by larger powers. Increasing levels of institutionalization of economic relations breeds interdependence between states, but also facilitate a more predictable application of domestic law within the confines of the agreement (Hart et al. 1994, 54–86, 372–385). Large states, by contrast, are less dependent on small states for their economic prosperity and tend to resist encumbering institutionalization both in form and practice.

So how can we understand patterns of regional integration by China and the USA in the context of neoclassical theory? Krasner began with the realist assumption that state action can be explained in the context of pursuit of the national interest. The international trade regime, specifically, had been constructed with the pursuit of these interests squarely in mind. The regime does so by facilitating the pursuit of aggregate national income, social stability, political power, and economic growth (Krasner 1976, 318).

Krasner argued that there were very different incentives for states of varying size within the international trade regime and that large powerful states had a significant advantage in both setting the structure of the regime and reaping the benefits from it. However, the creation and maintenance of an open trading regime does not entail the accumulation of most benefits by large states. In fact, it is small open economies that reap the largest gains from an open regime while larger states benefit from additional openness on the margins.

Specifically, Krasner (1976, 322) argued that

the utility costs [of openness] will be less for large states because they generally have a smaller proportion of their economy engaged in the international economic system… Hence, a state that is relatively large and more developed will find its political power enhanced by an open system because its opportunity costs of closure are less.
Small states, Krasner argued, are likely to opt for an open regime, even one undergirded by hegemonic power, because the benefits of openness for small economies are so large and the opportunity costs of closure significant. The result is the accumulations of national power by the hegemonic state at the margins while small states weigh the significant costs of remaining outside the trade regime’s structure. Contrary to depictions of the international trade regime suggesting that interdependence was softening the use of power, Krasner persuasively argues that it is in the design and operation of the system itself that we see hegemonic power being wielded. In other words, small states might look at the rules-based regime as a means of bringing additional predictability to their economic relations with larger states, but the reality is that the many Lilliputians engaged with Gulliver are having little impact on the underlying utility of power within the regime. A review of recent US and Chinese engagement with the international trading regime suggests that Krasner may have been right.

The United States as a reluctant Gulliver

As scholars of American foreign relations know well, the American impulse to remain aloof from international engagements has historical roots dating to the earliest days of the republic. George Washington’s famous farewell address in 1796 implored his compatriots to avoid entangling military alliances that would draw the USA into wider, European, conflicts. Yet, Washington’s thinking about foreign affairs was not restricted to military matters and reflected broadly based concerns about economics as well. Such was this feeling that Washington ordered an American-made suit for his 1776 inaugural, a time when the fashion conscious wore European suits. In a sense, Washington’s gesture was an early version of “buy American” campaigns that have periodically sprouted throughout American history (Eckes 1995, 14–15). Washington was no protectionist. According to Alfred Eckes, Washington embraced general principles of equality and reciprocity in commercial relations, believing foreign commercial ties to be a source of wealth for his young nation.

However, in his farewell address, Washington also suggested “the great rule of conduct for us in regard to foreign nations is, in extending our commercial relations to have with them as little political contact as possible.” Washington added, “our commercial policy should hold an equal and impartial hand, neither seeking nor granting exclusive favors or preferences” (Eckes 1995, 10–11).

As has been the case with many newly formed countries with fledgling economies, the early days of American commercial relations were characterized by policies aimed at protecting “infant industries” as they struggled against established, foreign competition. According to Eckes, this was especially true after the War of 1812 severely disrupted many of America’s early foreign markets. The likes of James Madison and John Adams were convinced that independence
from other nations in terms of basic provisions such as food, clothing, and defense materials was essential. Adams in particular wrote,

I am old enough to remember the war of 1745, and its end; the war of 1755, and its close; the war of 1775 and its termination; the war of 1812, and its pacification. Every one of these wars has been followed by a general distress; embarrassment on commerce, destruction of manufactures, fall of the price of produce and of lands, similar to those we feel at the present day, and all produced by the same causes. I have wondered that so much experience has not taught us more caution. The British merchants and manufacturers, immediately after the peace, disgorged upon us all their stores of merchandise and manufactures, not only without profit, but at certain loss for a time, with the express purpose of annihilating all our manufactures, and ruining all our manufactories. The cheapness of these articles allures us into extravagance and luxury, involves us in debt, exhausts our resources, and at length produces universal complaint…I do not know how we can do ourselves justice without introducing…portions of the same system. (Eckes 1995, 19–20)

Apart from accusing the British of what we now call dumping and for the application retaliatory anti-dumping duties, Adams’ point was clear; the USA needed to reduce its over-dependence on foreign commercial ties and focus America’s energies on indigenous industrial development.

Sentiment such as this was commonplace in Washington throughout much of the 18th, 19th, and early 20th centuries. America’s early aloofness remained after World War Two, even as the circumstances of the aftermath thrust the USA into the dominant role we see today. As the scholarly debate has shifted to considerations of America as hegemonic empire, some have argued that American hegemony is somehow different (Lundestad 1999; Kupchan 1999; Wallerstein 2002).

The GATT

America might be a different kind of hegemonic power, but where the design of the postwar international trade regime is concerned, the USA was every bit the rising hegemon pushing a multilateral system of realist design, free from the binding constraints that would limit US policy latitude.

Consider the GATT, precursor to the creation of today’s World Trade Organization, and seen as one of the pillars of postwar maintenance of an open global trading system. When signed in October of 1947 by 23 nations, the GATT was intended as an interim agreement to be supplanted later by the much larger, more comprehensive International Trade Organization (ITO) then being negotiated in Havana, Cuba and scheduled for completion in March 1948. At the time, the State Department considered “some kind of ITO a necessity” and as a core element in America’s postwar economic program (FRUS 1948, 825–826). If the proposed multilateral process were to end in failure, “economic life over much of the world
would be much worse... for international dealings would tend to be restricted. Discriminations would be rampant and international economic warfare would be the order of the day” (FRUS 1948, 825).

The ITO was also significance because of the growing stand-off with the Soviet Union in Europe and its refusal to participate in the Bretton Woods institutions. When the Soviets also refused to participate in the ITO negotiations, these talks took on more importance for the State Department as a form of cement that would unite and further secure Western Europe against Soviet incursions from the East. Without the ITO, the “non-Russian world would be without a rudder in the international economic sea” (FRUS 1948, 825). Politically, the failure of the multilateral process would also have provided the Soviets with ample material for propaganda criticizing the American vision of the postwar world. Militarily, failure “would mean a weakening rather than a strengthening of our position, for it would mean a weakening of the economic bonds between us and the other countries in the non-Russian world” (FRUS 1948, 825).

By early 1948 the ITO negotiations in Havana, Cuba were in real trouble and there was doubt in the State Department that an agreement could be reached at all (FRUS 1948, 829). In fact, by 1950 the ITO had failed completely and the GATT remained as the only operating multilateral framework for trade (Stone 1992).

According to Robert Pastor, one of the main reasons for the death of the ITO was that Congress would never have ratified it. The ITO, as it was being drafted in 1947–1948, contained too many escape clauses and “emergency provisions” for other nations to impose restrictions on imports and too many obligations for the USA. In addition, many of the ITO’s ambitious provisions went much further than Washington was willing to go because they involved ceding matters of domestic economic governance to a new international body. As a result, the ITO charter that was eventually completed at Havana was never submitted to Congress by the State Department, and the much less restrictive GATT became the default structure of the global trading regime (Pastor 1980, 97).

**The NAFTA**

A similar aversion to the erosion of policy sovereignty was at the heart of the North American Free Trade Agreement (NAFTA) negotiations (1990–1994). When Mexican President Carlos Salinas proposed to President George H.W. Bush in 1990 that the two countries engage in free trade talks, the conventional wisdom was that Mexico would be the most cautious and reluctant partner. Similar conventional wisdom pervaded the Canada-US FTA negotiations just a few years earlier (1985–1988). However, as sensitive as the junior partners to the NAFTA were, it was the USA that resisted the creation of permanent institutions that would necessitate significant alteration in the application of US trade law (Anderson 2006a).

Recall the neoclassical theory of integration and the relative paucity of supranational institutions. As comprehensive as the NAFTA is, and as controversial
as it has become in US trade policy, it is a comparatively shallow agreement. Its dispute settlement mechanisms did not require the alteration of US trade remedy law (a major Canadian and Mexican objective), and several high profile trade disputes have proven these mechanisms somewhat archaic in managing NAFTA area trade relations (Anderson 2006a). Moreover, the NAFTA does not include labor mobility and its side agreements on labor and the environment are empty of binding commitments on all three parties.

The dispute settlement mechanisms are a case in point. When Canada entered negotiations with the USA on a bilateral FTA in 1985, immunity from American trade remedy law was a major Canadian negotiating objective. So insistent were the Canadians on this point that negotiations were pushed to the breaking point several times. However, when negotiations were over, all Canada obtained was a dispute settlement mechanism that permitted review of trade remedy actions, but did not contemplate harmonized trade remedy policies or a binding adjudicatory body to sort out disputes. When Mexico then proposed an FTA, they had similar immunity objectives, but also failed. The point is that the shallowness of the NAFTA has more to do with American reluctance to make sovereignty-eroding commitments than Canadian or Mexican sensitivities (Pastor 2001).

The Clinton administration spent most of its trade policy capital on pushing the NAFTA through Congress in 1994, and seldom mentioned the agreement during the balance of his two terms in office. US trade policy thereafter stalled. When the Bush administration took office in January 2001, the US trade policy agenda enjoyed something of a “renaissance” of activity (Bergsten 2002). At the end of the Bush years, more than a dozen new bilateral or regional trade agreement negotiations had been either completed or launched (interview with a US Trade Representative). However, one thing remained the same; none of them contemplated a stage of integration deeper than the NAFTA. In fact, all of them retreated from NAFTA-level commitments in areas such as dispute settlement in trade remedy cases, investment arbitration (also controversial under the NAFTA) and even the breadth of coverage. For example the US-Australia FTA does not include temporary entry for professionals, and there were significant changes to dispute settlement procedures covering trade remedy laws and foreign direct investment. Furthermore, the NAFTA’s side agreements on labor and the environment have never been replicated in any subsequent US FTA. In other words, post-NAFTA US FTAs, the shallowest form of economic integration, are even shallower than the NAFTA.

What we have observed over the period of postwar stewardship of the global trading regime by the USA is an effort foster openness, but without the kinds of binding commitments that would significantly restrict American policy latitude. The demise of the ITO, the looseness of the GATT, and the design of America’s FTAs all point to a reticence by the USA to have its policy flexibility as a hegemonic anchor of the system limited. All of this is in line with Krasner’s claim that large states accrue significant benefits from drawing smaller powers into its trade policy
orbit but are not nearly as vulnerable to potential market closure after having done so.

**China as a reluctant son of Gulliver**

Casting China in the comparative with the USA at, by some measures, the zenith of its “unipolar moment” carries with it numerous pitfalls. China is clearly an emerging power on many dimensions, but not yet the kind of global force that could genuinely transform the international system into a bipolar one. There remain too many uncertainties about Chinese development both externally and internally to say with certitude that China will emerge as a counter-pole in a bipolar world, or on what kind of time line it might take place.

One of the challenges in addressing China’s approach to economic integration in Asia and globally is that China’s efforts along these lines are in their comparative infancy. Indeed, Deng Xiaoping’s economic opening only began in the late 1970s after more than twenty years of backwardness and revolutionary change that made it both a player and pawn in the Cold War. And, it is the Cold War framework of American “hub-and-spoke” alliances that has both shaped and limited Asian regionalism generally, and China’s in particular.

Nevertheless, the staggering growth of the Chinese economy and its relatively robust engagement with regional and multilateral economic bodies have led many to assert that China will soon become the other pole in a bipolar system of international economic relations. Returning to Krasner, he argued in 1976 that an international trade regime supported by more than one large state would tend toward less openness, particularly where those large states were relatively underdeveloped (Krasner 1976, 321–22). Again, with Krasner as a backdrop, this section will explore what kind of economic regionalism prevails in East Asia and how China’s emergence over the last few decades has shifted the balance.

*What kind of interdependence?*

Regionalism in Asia until the early 1990s really didn’t include China, but was in many instances directed at it as a product of the Cold War. Moreover, the kinds of economic arrangements that have evolved in the postwar period have nearly always involved Washington and its strategic interests in East Asia. Much like the design of the postwar trade regime described above, Washington engaged East Asian nations in a series of bilateral economic and security arrangements designed to prop up Japan or thwart Communist China’s advance on smaller neighbors. Referred to by some scholars as the “San Francisco System,” it has changed remarkably little even in the aftermath of the Cold War (Calder 2008, 22). Even those examples of indigenous regionalization, such as the Association of Southeast Asian Nations (ASEAN) enjoyed the tacit support of the USA in Asia because of their balancing effect *vis-à-vis* China (Calder and Fukuyama 2008, 6–7).
In the aftermath of the Cold War, there has been an explosion of bilateral and plurilateral preferences arrangements. However, most of these have more or less replicated the San Francisco System of bilateral agreements with non-Asian countries. Garry Hufbauer and Yee Wong report that from 1992 to 2005, East Asian countries implemented 15 FTAs, 9 of which were with trading partners outside East Asia. Of the 27 FTAs then under negotiation, only 9 were with East Asian partners (Hufbauer and Wong 2005). To a significant degree, this pattern reflects existing trading patterns of East Asian nations in which access to raw materials for value added manufacturing is the primary motivation for engaging in preferential trade deals (Rosen 2008, 154–157). In general, this means economic partnerships with non-Asian countries.

Perhaps the most robust regional economic arrangement to emerge after the end of the Cold War has been the Asia Pacific Economic Cooperation (APEC) grouping, first organized in 1989 at the behest of Japan and Australia, but including most nations of the Pacific Rim, including China. However, several problems beset this organization, first and foremost that it has not lived up to its potential for integrating Pacific Rim economically. APEC has held its annual summit every year since 1993, but has demonstrated little utility beyond a mechanism for annual gatherings of disparate leadership (Higgott and Stubbs 1995, 521). APEC’s central failing is the weakness of its institutional foundation. The 1994 Jakarta Summit called for the complete liberalization of trade by 2020, but because APEC’s governance emphasizes informality, consensus decision-making, and voluntary implementation, the chances of meeting that objective are slim (Calder 2008, 27; Ravenhill 2008, 97–98). Moreover, there is little consideration of ultimately deepening APEC’s governance structure (Higgott and Stubbs 2008, 522–529).

The same criticism can be levied at other regional forums including the so-called “ASEAN+3” (ASEAN plus China, Taiwan, and Japan) and the Asian Development Bank, none of which have effective mechanisms that can push liberalization, reforms, or manage crises (Rosen 2008, 157). The point with all of this is that Asian regionalism has evolved much differently than the European variety (Ikenberry 2008, 219–220). A mix of Cold War legacies, regional balancing, sometimes against China, at other times against Japan (as in the ASEAN-China FTA proposals) (Lijun 2003), and sometimes against Washington (as in the abortive East Asian Economic Grouping) (Calder 2008, 27) has resulted in a patchwork of shallow integration arrangements. Overall, Fred Bergsten (2008) writes, “China has been playing at best a passive and at worst a disruptive role. It makes no effort to hide its current preference for low-quality, politically motivated bilateral and regional trade arrangements rather than economically meaningful (and demanding) multilateral trade liberalization through the WTO.”

China only really came to the integration table in the 1990s, and had until then been weary of bilateral, regional, or multilateral arrangements. According to Cheng-Chwee Kuik, some of this is rooted in long-standing Chinese uneasiness about foreign entanglements (recall George Washington’s farewell), the lack of familiarity with multilateral processes, nervousness over Washington’s dominating
role and concerns over sovereignty, particularly in disputed territories like Taiwan or the Spratly Islands. Moreover, China’s comfort level with regionalism grows where the USA is not involved (Kuik 2008, 119–122). With respect to APEC in particular, China and others worry that Washington is trying to control events in Asia by watering down the “Asian” identity of regionalism by insisting on APEC members from the Eastern Pacific (Higgott and Stubbs 2008, 539–540).

Conflict or transition?

Scholars disagree over China’s intentions with respect to its regional actions. Where some observe Chinese efforts to secure resources through a range of economic agreements and see obvious zero-sum balancing behavior, others see internal challenges to the primacy of the political order driving Chinese policy aimed merely at social stability. One’s position on this particular debate leads to different conclusions about Krasner and the relationship he posited between relative closure in the international trading regime in the presence of several large states of differing levels of development. This proposition fed a renewed debate over hegemonic stability in international relations generally, and a focus on periods of transition from one hegemon to another, in particular.

The debate over China as rising hegemon or cooperative internationalist in trade policy is still in its early stages, but there are some signs paralleling the experience of the USA. Thus far, China’s bilateral and regional economic relationships appear aimed at market access for primary resources and the maintenance of policy latitude. While China may not have fully assumed the mantle of regional hegemon, it has already begun behaving like one in trying to set the terms of regional economic groupings, in part, by limiting their scope. In addition, much like the system of bilateral and regional agreements Washington has pursued in recent years, China’s activism seems oriented around creating “hub-and-spoke” relationships. Critics of this approach to regionalism, whether in the US or Chinese contexts, argue that “hub-and-spoke” trading patterns result in a “spaghetti bowl” of preferences, the relative closure of markets, and trading patterns increasingly oriented around blocks anchored by a large state (Bergsten 2008; Baldwin and Low 2009). Such patterns are inefficient and a violation of the spirit (if not the law) of the most favored nation principle of the WTO aimed at curbing discrimination. Article 24 of the GATT 1947, permits the creation of preferences areas so long as they are “substantially liberalizing.” However, such preferences often discriminate against the low-cost producer within the global trading system. As a result Article 24 remains controversial, but widely invoked as a result of its lack of specificity. Moreover, such a system compounds the challenges of making progress in the multilateral trading system as states take positions protecting hard-won preferential access in bilateral or regional groupings.

However, China’s regional economic relationships may not the best place to be looking for early signs of the kind of conflict Krasner argued was possible in a system of large, but unevenly balanced states. China has been active in the
regional trade relations game for the balance of the past two decades, too little time, and too few agreements, to evaluate China’s actions definitively. What are we to make of Krasner’s proposition that the international trading system is likely to be more open when a single rising power dominates its management? More importantly for contemporary politics, are we in the midst of a dangerous transition period where, as Krasner asserted, the relative decline of one power and the rise of others threaten to reduce the openness in the international trade system? Krasner ultimately concluded that there were periods of power transition with little conflict (Krasner 1976, 335–343). A brief overview of the global trading system and macroeconomic relations of recent years suggest we are in the midst of another such period.

China, the WTO, and the macro economy

The rhetoric over China’s growing role in international economic relations has hit a fevered pitch in recent years, at times fueling populist outrage in developed countries. However, China’s rise within the global economic system (both trade and finance) fits squarely with the broad post-war consensus held by the USA and others about the merits of rules-based trade and economic relations. Recent events involving the Group of 20’s efforts to manage the global financial crisis of 2007–2009 only reinforce this view. Conflict is inevitable in global economic relations, and China isn’t necessarily generating a disproportionate share of it.

China has only been a member of the WTO since 2001. A major hurdle for Beijing in becoming a member of the WTO was the need to negotiate agreements on the terms of entry with every WTO member then in existence, most important among them, Washington. The Clinton administration had spent most of its trade policy capital on the NAFTA fight at the start of its first term, but saved a bit for the end of the second. For the better part of a year starting in the spring of 1999, the Clinton administration pushed for permanent normalization of trade relations (PNTR) with China, a key condition for both countries to operate within the WTO structure. The debate over PNTR for China in the US Congress was ferocious, yet it was China that had to make significant changes to its domestic governance practices in order to win approval. The USA and other existing WTO members needed to do very little.

From the outset, the Clinton administration made the same case for approval of PNTR that previous administrations had been making for decades about the merits of integration in Europe and elsewhere. Bringing China fully into the fold of the global trading regime would significantly advance and consolidate China’s own market reform efforts. Since China was already a large and growing force within the global economy, “locking in” the economic reform process would facilitate China’s peaceful entry and participation. For developed economies, the black box of China would become increasingly transparent and open economically via the WTO’s reporting and dispute settlement mechanisms. Ultimately, of course,
additional economic openness and interdependence with the global economy would be the thin end of the wedge of greater political openness. Ensnaring China in a web of economic relationships that were reciprocally beneficial would make the costs of conflict too high to even contemplate.

This line of reasoning has been a part of American foreign policy dating to well before the end of World War Two. Indeed, US Secretary of State Cordell Hull made this case to President Roosevelt in the early 1930s as he watched economic nationalism facilitate the rise of fascism and conflict in Europe (Hull 1948, 211). This same line of reasoning carried the US policy through the development of postwar institutions such as the Bretton Woods system, the GATT, and the UN.

The global trading regime is a creation of US hegemony in the postwar period, and there is little argument that the USA has reaped the benefits of being a large power within it. However, it is a system that, by its very design, facilitates the rise of competitors (Zeiler 1999). While the scholarship on China is predictably divided as to China’s intentions, this broad line of reasoning about the global economy squares with scholarship looking at China’s internal political and economic challenges as a major driver of its generally cooperative posture in international affairs (DeCastro 2008; Kuik 2008; Rosen 2008).

**Whither openness?**

What then are we to make of the apparent escalation of conflict in the global economy between the USA and China? The past several years have given rise to an increase in anti-China populism in Washington and elsewhere as China, India, and other developing economies have been singled out as being responsible to job loss (outsourcing), exchange rate manipulation leading to macroeconomic imbalances, or recalcitrance leading to the failure of the multilateral trade talks (Bhagwati et al. 2004). China has been the particular target of high profile angst because of the high profile discovery of imported children’s toys with high concentrations of lead in the US and Europe in 2007 and 2008. Added to a generalized US unease with rapid Chinese economic growth, its voracious appetite for resources, and sometime obstructionism on some geopolitical issues, and some angst is understandable.

However, much of this angst is reminiscent of the late 1980s angst in the USA over the evident superiority of Japanese and German economic models (Thurrow 1993; D’Andrea-Tyson 1992). Japan Inc. was the particular target of xenophobic angst as the Japanese used savings from their large export surpluses to purchase high profile American properties such as Pebble Beach golf course and Rockefeller Center in New York City. This kind of anxiety is fueled by mainstream academic publications like *Foreign Affairs*. The cover of the January/February 2009 issue prominently highlights an essay entitled “The Rise of the Chinese Model” that is actually a more benignly titled review of a book on global finance. In fact, rapid technological change has been at heart of changing market conditions in both periods. Transportation costs, in particular, have fallen dramatically and facilitated Chinese competitiveness in manufacturing. In many ways, the rationalization of
global production chains as a result of the liberalization of trade and finance, and the advent of new technologies, is evolving along lines predicted by neoclassical economic theory.

The global financial crisis has both added to the tension, and perhaps laid the foundation for further integration of China into the global economic fold. Beijing is not alone in blaming Washington for creating the current financial mess. It is certainly true that the structured financial instruments, rooted in American mortgages, created by Wall Street are at the heart of the mess. However, the roots of this crisis have their origins in the late 1990s, are much more systemic, and directly involve surplus countries like China. The Asian Financial Crisis of 1997–1999 impressed upon Chinese leaders the need for pools of reserve currency in the event another crisis of confidence swept through the region. The circular nature of this crisis is profound. Vast Chinese export earnings, aided by an undervalued fixed currency, were recycled into developed countries that, aided by historically low interest rates, funneled them into housing bubbles, facilitated by structured finance, that have now burst (Corden 2009; The Economist Oct. 2008). In all of this, conflict between the USA and China is inevitable. Is there a silver lining of cooperation here?

Cooperative hegemons?

As of this writing (April 2009) the Doha Round of the WTO has been badly stalled for more than a year. The sticking points revolve around the split within the WTO between developed and developing economies on agricultural subsidies. Since the creation of the GATT with a mere 23 members, the WTO now has more than 150 members, most of whom are developing countries, including China. While most observers lament the current stalemate in the Doha round, and have levied deserved criticism at China for shying away from a stronger leadership role (Bergsten 2008), the WTO has become a victim of its own success. That an organization like the WTO can facilitate the growth and influence of China, India, and Brazil is evidence of the organization’s success. This is what the GATT was designed to do.

Moreover, if trade conflict and a shift away from openness is the product of rising hegemonic challengers to the anchor power, then perhaps the European Union is where we should look for new adversaries. Some of the bitterest trade disputes of recent years, such as the beef hormones case, trade in bananas, and the looming battle over subsidies to Boeing and Airbus have all involved the USA and the EU. While the stalemate in the Doha Round has pitted developed and developing countries on opposite sides of the agricultural subsidies issue, it is the inability of Washington and Brussels to agree on how far their subsidies will be slashed that has also been responsible for the lack of progress (Elliot 2006; Anderson 2006b). Indeed, if we want to witness realist-style balancing behavior, Europe and the European integration project have become exactly that. France,
in particular, views the entire European project as a counter-weight to American dominance of global politics.

Another hopeful sign that China is not the rising hegemonic challenger Krasner worries about is the emergence of the Group of 20 as a key mechanism for global economic coordination. The scale and depth of the global financial crisis, along with its spillover effects into other parts of the globe, have prompted calls for a coordinated response of equal extent. The G20 Summit in London on April 1, 2009 was a mixed bag in terms of concrete policy action (*The Economist* 20 November 2008; 2 April 2009). However, whereas France and Germany went to London determined to not to give in to President Obama’s call for coordinated fiscal stimulus (in other words, uncooperative), China and Japan responded by offering to recapitalize the special drawing rights of the International Monetary Fund to the tune of $500 billion to help deal with the crisis (*The Economist*, 1 April 2009).

In conclusion, Krasner’s proposition that an international trading system characterized by several large states of unequal power is prone to conflict and closure may hold up better when applied to the EU than to China for the time being. Moreover, the EU is America’s equal in terms of economic power, and this is where some of the most high profile conflict is taking place. The WTO is currently monitoring levels of protectionism creeping into the multilateral trading system as countries are tempted into economic nationalism during this crisis (*WTO Press Release* 24 March 2009; *The Economist* 29 March 2009). While it would be tempting to read the relative closure of the US or Chinese markets as a sign of a hegemonic challenger, these events are more aptly read as byproducts of a weakening global economy than hegemonic conflict.

**Conclusions**

So what can we tentatively conclude by looking at US and Chinese approaches to the global trading system through the lens of Krasner’s 1976 article? The short answer for regionalism is something like “just say no to institutions.” Krasner’s emphasis on the state as the primary unit of analysis in the international system and his realist assumptions about objectives within the system are a useful start in trying to understand how Washington and Beijing have generally approached their regional economic partners. Both have made an effort to engage their regional trading partners in mutually beneficial economic arrangements, but have been unwilling to sign on to stages of integration that entail degrees of pooled sovereignty observable in Europe. The USA and China benefit from being large states in regions looking to their economies as drivers of economic growth. The USA and China benefit from the institutional shallowness of FTAs with regional partners without being exposed to the consequences of defection or adjustment that small states confront.
Reversing the point of view on this same argument, the USA and China have been reluctant partners in deep integration projects with neighbors that might like more. While the Lilliputians would, in each region, like to tie Gulliver down with deeper agreements and the shared governance they imply, neither the USA nor China have been willing to venture far down that path. America’s longer history of regional engagement is suggestive of where China might be willing to go institutionally in East Asia; not far.

Less apparent from a Krasnerian lens is that Washington and Beijing are headed for conflict and that the international trading system will become less open as US-dominance of the trading system continues to give way to relative parity. Unlike bilateral or regional preferences arrangements heavily anchored on “hub-and-spoke” models, the multilateral system is designed to facilitate the rise of competitors. Moreover, we see the rational for US-engagement of China in an open system paralleling rationales employed for much of postwar American foreign policy in Europe.

Crouching cowboy and hidden dragon indeed.
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Chapter 8

“From Brussels to Beijing”: Comparing the Regionalization Strategies of the EU and China

David Scott

Introduction

This chapter compares the regionalization strategies of the European Union (EU) and the People’s Republic of China (PRC). The investigation queries what both actors hope to gain from their relations with other regions, and what respective policies do they use to further such long term strategic hopes? The contention is that the emergence of such regionalization strategies from both the EU and China is not surprising. Broadly speaking, the “new regionalism” has long been perceived as an emerging feature in international relations (see Chapter 1). At a specific level, the growing centrality of China and the EU in world affairs inevitably draws attention to the ways in which they engage other regions of the world.

This study argues that a parallel assessment of the external policies of Brussels and Beijing towards regions—in theory and in practice—reveals important similarities and differences of their regionalization strategies. On the one hand, both the EU and China stress economic cooperation, regional stability, and combating transnational terrorism as central features of their international relations. On the other hand, the EU’s emphasis on democratization and human rights goes against China’s prioritization of the inviolability of state-sovereignty. Whereas the EU talks of exporting democratization, Beijing stresses the greater need of a “democratization of international relation”—i.e., the requirement to acknowledge the legitimacy of non-Western practices.

This investigation details the similarities and differences of the EU’s and China’s regionalizing agency. A comparative analysis can thus be pursued either by looking at various themes (such as membership comparisons, economic development, political stability, sovereignty, democracy, and human rights) or by studying the respective involvement of the EU and China in other regions. Both lines of parallel assessment are followed in this chapter in order to outline the distinct regionalization strategies of Brussels and Beijing.
Comparing regionalization by themes

As suggested the parallel study of regionalization involves assessing the membership criteria postulated by different actors, the drivers of economic development and political stability, the notion and practices of sovereignty, and the relation to democracy and human rights. The following sections explain the comparative relevance of those criteria vis-à-vis the EU’s and China’s regionalization.

Membership comparisons

It is striking that both the EU and China have sought the assistance of some form of regional arrangements to further their external policies. In the case of China (as the chapters included in Part II indicate) it is a member of a variety of regional for a: the Shanghai Cooperation Organization (SCO), Asia-Pacific Economic Cooperation (APEC), the Asia-Pacific Space Cooperation Organization, the Asian Cooperation Dialogue, the Forum on China-Africa Cooperation (FOCAC), “ASEAN+3” (APT), East Asian Summit (EAS), etc. As the avatar of and vehicle for European regional integration, the EU has become a symbol of regionalism (Teló 2007). In this respect, it has established a range of contacts with other regional organizations. The EU has cooperation agreements with the Andean Community, MERCOSUR, Caribbean Community (CARICOM), the Southern Africa Development Community, the East Asia Community, Economic Community of West African States (ECOWAS), etc.

In this respect, there are a number of direct overlaps between the EU’s and China’s regional memberships. Both them are members of ASEM (and its offshoot the Asia–Europe Foundation), participants in the ARF, cooperation partners with the Gulf Cooperation Council (GCC), dialogue partners with ASEAN and the South Pacific Forum, and have observer status with the South Asian Association for Regional Cooperation (SAARC) and the Organization of American States. Meanwhile, the EU and China have their own bilateral links, nestling under the “Strategic Partnership” proclaimed in 2003.

Economic development and political stability drivers

Both the EU and China have a strong economic sense of other regions. It is in the EU’s and China’s own interests for other regions to be prosperous and trading with them. Thus, while issues of underdevelopment are a challenge for the EU and China in Africa and to a lesser extent Latin America, Asia presents noticeable economic opportunities for both. In this respect, Brussels’ view is that “the main thrust of the present and future [EU] policy in Asia is related to economic matters” (EU 1994). Indeed, such is the growing economic importance and strength of Asia, that the EU’s human rights clauses have less prominence when compared with EU’s involvement in weaker economies of Africa, the Caribbean, the Pacific (Mayer 2008, 70).
Comparing the Regionalization Strategies of the EU and China

Post-Tiananmen, China’s political stability depends on its ability to maintain its economic growth and “peaceful rise” to global prominence (Goldstein 2005). In this regard, economic imperatives—especially access to energy resource—have become a significant driver for China’s regionalization (Holslag 2006). Not unlike Beijing, Brussels’ regionalization is also underpinned by the EU’s “strategic raw materials diplomacy” (EU 2008d). However, the PRC’s and the EU’s energy needs are becoming increasingly competitive rather than cooperative.

Both actors seek to promote stability in their surrounding regions—the EU through the “European Neighborhood Policy” and China through the “Good Neighbor Policy.” In this regard, Brussels proclaims that “it is in the European interest that countries on our borders are well-governed. Neighbors who are engaged in violent conflict, weak states where organized crime flourishes, dysfunctional societies or exploding population growth on its borders all pose problems for Europe” (EU 2003b). Likewise, Beijing insists that “to accelerate its modernization drive… China needs a peaceful international environment of long-term stability, particularly a sound environment in its surrounding areas” (Wang 2004, 16).

Such commitment to regional stability is reflected in the peacekeeping contributions made by Brussels and Beijing. At the start of 2009, the EU operates thirteen EUFOR (EU Force) operations in the Balkans, the Caucasus (Georgia), Middle East (Palestine, Iraq), Asia (Afghanistan, Aceh), and Africa (Somalia, Guinea-Bissau, Chad, Central African Republic, and Congo-Kinshasa). On the other hand, some 11,063 military personnel from China have participated in 18 UN peacekeeping operations since 1990, including Chinese contributions to thirteen UN missions during 2008 involved in the Sudan, Ethiopia/Eritrea, Somalia, Western Sahara, Congo-Kinshasa, Liberia, Ivory Coast, Kosovo, Haiti, Lebanon, and East Timor. A regional emphasis in this Chinese involvement is perhaps indicated by over half the operations being in Africa. Whilst the EU presence in Africa is, like China’s, quite noticeable with five out of its thirteen operations being there; a EU regional emphasis on the Balkans, Caucasus and Mediterranean areas is also apparent, with five out of its thirteen EUFOR operations being there.

Sovereignty

The very nature of the EU-project rests on pooling the sovereignty of its member states. Resting on the experience of two world wars, the EU aims to transcend the divisions produced by the emphasis on national boundaries. It is in this context that, the EU’s experience “allows [it] to present regionalism as a model” (Reiterer 2005, 5). This background makes the EU predisposed to propagate similar regional arrangements elsewhere, such that “inter-regionalism has become a strong component of the EU’s relations with Latin America, Asia and Africa” (Söderbaum et al. 2005, 360). Instancing this predilection are the EU’s extensive **Regional Strategy Papers** on the Mediterranean, the Black Sea, Asia, Central Asia, Africa, Southern Africa, East Africa and the Indian Ocean, Latin America, Central
America and the Pacific. In such a context, it would appear that the EU “prefers inter-regional rather than inter-national relations in trading with other countries and regions” (Park 2005, 189).

China’s regionalization strategies are informed by very different values. Consequently, “the regional groups in which China holds membership have largely eschewed any movement towards supranationality. For its part, China has sought to promote, or at least reinforce, the norm of sovereignty” (Moore 2008, 43). This focus on maintaining sovereignty and non-interference forms part of China’s soft power (Kurlantzick 2007, 44). Such an emphasis on state-sovereignty reflects China’s historical experience and the narrative framing of the memories from the nineteenth-“century of humiliation.” Bearing this context in mind, Elmaco (2008, 8) argues that the EU’s regionalization-strategy reflects the dynamics of tighter “regionalism,” whereas China’s outlines a looser form of state to state “regional cooperation.” This difference of approach is why Zhao (1998) argues that in the Asia-Pacific, the EU can embrace “structured regionalism” from afar, whilst China instead prefers loosser “soft regionalism” from nearby. Thus, unlike the ever closer union of the EU, China’s regionalization is firmly premised on the Westphalian national state model.

Beijing’s sensitivity to sovereignty is also connected to its aversion to the dynamics of regime change. China regionalization, thereby, emphasizes its regional policies reassert the sovereignty of states. Thus, in terms of comparing the EU’s and China’s relations with global regions, “Beijing’s affirmation of government centralization and sovereignty and the benefits of a party–controlled centralized command economy” seems to contradict Brussels’ “pride in interdependent politico-economic frameworks, flaunting the benefits of liberal democracy” (Kavalski 2007b, 841). In practice, therefore, while the EU has trumpeted the need for democratic change in Zimbabwe, the Sudan and Myanmar, China has instead emphasized the sovereign inviolability of those states.

Democracy and human rights

Democracy and human rights provide the clearest example of the distinct normative values of the EU’s and China’s regionalization-strategies. On the one hand, the PRC has emphasized socio-economic rather than political human rights, has sought to “redefine the international standard itself,” and “as such, China’s positions have received sympathetic hearings in the third world” (Deng 2008, 70–92).

On the other hand, whilst the EU has its own battery of socio-economic rights, it has explicit and prominent standards set for liberal democracy values. In this regard, “the development and consolidation of democracy and the rule of law and respect for human rights and fundamental freedoms together form a major objective of the external policy of the EU” (EU 1994). Indeed this rhetoric underpinned the formation of the EU enlargement has involved support for democratization towards Greece, Spain and Portugal in the 1980s and towards Eastern Europe in the 1990s—all showing “the transformative potential underwriting the dynamics
of accession conditionality” (Kavalski 2007b, 842). Such emphasis on democracy and human rights have been absent in China’s external relations. Conditionality is generally something that Beijing neither practices nor preaches—indeed, it is the lack of such conditionality that distinguishes the global politics of the PRC’s regionalization from that of the EU’s.

China’s argument is that the insistence on the international universality of human rights standards is a feign disguise for the external (Western) interference in the domestic affairs of states. To a significant degree, such an attitude reflect Beijing’s preoccupation with controlling (if not curbing) the promotion of democracy within China as well as with the fixation on the regime-survival of CCP. In this respect both the PRC and the EU have different understanding of the notion and practices of “good governance.”

As evidenced by China’s regionalization practices good governance involves patterns of economic stability and efficiency. For the EU, good governance involves the promotion of political stability based on transparent and accountable government practices, which “strengthen democracy and political pluralism by the expansion of participation in political life and continues to promote the embracing of all human rights and freedoms” (EU 2008b). The EU’s regionalization, thereby, is premised on conditionality and the assessment of the progress made by regional partners in the area of governance. Such conditionality, assessment, and indicators criteria are not something that China pushes in its own regionalizing-outreach, not least because of the unwillingness to attract attention to its own domestic practices.

Of course, just because the EU has normative transformative levers and policy-discourses does not mean they have been utilized to their fullest extent (Barbe and Johansson-Nogues 2008, 91–93). Yet, it is the very existence of such democratization-human rights levers that distinguished the EU’s regionalization strategies from China’s experience of region-building. The following section expands on the external relations of both Brussels and Beijing with different global regions.

**Comparing regionalization by context**

As suggested the parallel study of regionalization involves not only the assessment of its underlying themes, but also of the concrete regional effects and policies of agents. Comparative regionalization, thereby, involves the study of the distinct contexts to which region-building is applied. To that effect, this section undertakes a parallel assessment of the EU’s and China’s regionalization in Southeast and East Asia, in Africa, in Latin America, and in Central Asia.
Southeast Asia

Southeast Asia has attracted formal attention by both the EU and China in recent years. Both actors are “dialogue partners” with ASEAN. The EU-ASEAN encounters involve EU Foreign Ministers, the Secretary-General of the Council, and the High Representative for the Common Foreign and Security Policy, and the European Commissioner for External Relations and the European Neighborhood Policy. The EU-ASEAN Summit involves similar high level EU agencies.

Both the EU and China have engaged in modest peace consolidation operations in the region. Chinese military police were involved in the stabilization of East Timor as part of the multinational UNTAET mission from 1999–2002, and the EU contributed police training and monitoring units to Aceh in 2005–2006, under the EU Commission’s €15.85 million Aceh Peace Process Support program.

The region is an attractive economic area for both Brussels and Beijing. China’s diplomacy has targeted Southeast Asia in a sustained fashion (Kuik 2005). Beijing’s regionalization in this regard can be read as an attempt to allay the fears of Southeast Asian actors, due to China’s sovereignty claims over (virtually the whole of) the South China Sea (see Chapter 10). Such suspicion, however, has a historical background as well.

Initially, China (under Mao) interpreted the establishment of ASEAN in 1967 as a form of a neocolonial project. In this context, the post-Mao cultivation of Beijing’s relations with ASEAN is particularly noticeable. An indication of the improvement of relations has been the “Declaration on the Conduct of Parties in the South China Sea” drawn up between China and ASEAN. The encompassing ASEAN’s “Treaty of Amity and Cooperation” was signed by China in 2003—a signature required by all countries willing to participate in the East Asia Summit. It is significant that the “Joint Declaration” between China and ASEAN highlights the shared aim of “support[ing] each other’s endeavor for economic growth and development” (PRC–ASEAN 2003), with no mention of democratization or human rights issues. In contrast, it took the EU much longer to sign ASEAN’s “Treaty of Amity and Cooperation,” scheduled for the 2009 EU–ASEAN ministerial meeting at Phnom Penh. Whereas China negotiated a FTA Framework Agreement in November 2002 with ASEAN, the EU was still engaged in negotiating a similar FTA in 2009.

Unsurprisingly, regional dynamics in East Asia show a significant role for the PRC in the region (see Chapter 9). Admittedly, both the EU and China participate in the ARF and the ASEM. However, the EU has played a more prominent role in maintaining ASEM—with the EU Commission acting as a “permanent” coordinator (Zhang 2008). Yet, the EU’s absence from the “Six-Party Talks” on North Korea is indicative of Brussels’ limitations. Whereas China is involved with “ASEAN+3” and EAS; the EU is not. For the moment, given the lack of any clear regional-institutional framework for East Asia, the EU’s interaction has been mainly at the national level, in its bilateral relationships with South Korea, Japan,
and above all with the PRC. Economic issues, especially trade (imbalances), figure heavily on Brussels’ agenda.

Africa

Africa is increasingly emerging as an extended neighborhood for both Brussels and Beijing, with geopolitical, economic, and energy concerns becoming the focus of policy-attention. Political stability, in particular, has become a common concern to both. On the one hand, the EU has authorized forces to Somalia, Guinea-Bissau, Chad, Central African Republic, and Congo-Kinshasa. On the other hand, China (through its contributions to UN-peacekeeping) has been operating in the Sudan, Ethiopia/Eritrea, Somalia, Western Sahara, Congo-Kinshasa, Liberia, and the Ivory Coast (see Chapter 13). Both the EU and China have links with African regional and sub-regional organizations; yet, clear normative divides are evident in the regionalization strategies of both actors over the issues of sovereignty and democracy/human rights.

China has embraced Africa (i) in part for gaining diplomatic recognition for its “One China” policy; (ii) in part for geopolitical leverage vis-à-vis the United States; and (iii) in part because of Africa’s growing importance for providing mineral and energy resources, especially oil (Taylor 2006). The Forum on China-Africa Cooperation (FOCAC), set up in 2000 offers a continent-wide regionalizing framework that can be compared to the 2007 EU–Africa Summit, which brought together 52 African states (alongside the African Union) and the 27 member-states of the EU (alongside the European Commission).

Amidst talk of common goals for development in a multipolar world and of diplomatic support for the PRC’s claims over Taiwan, the White Paper on “China’s African Policy” articulates Beijing’s regionalization of the continent as an instance of “promoting more democratic international relationship and rule of law in international affairs and safeguarding the legitimate rights and interests of developing countries” (PRC 2006). On the other hand, the EU’s vision is explicitly premised on the dynamics of institutional regionalism. Thus, an Africa-wide process of regional integration is not only recognized but encouraged by the EU. Brussels emphasizes that “at the continental level, the EU should support the continental institutions and strategies of the African Union [which] will require boosting the capacity of these supranational institutions to make them stronger” (EU 2005, 20).

The “Strategy for Africa” also brought in the normative preferences of Brussels that “the EU should also continue to promote the human rights” because “the EU and Africa share basic values and objectives, such as a more multilateral world order, fairer global development and the promotion of diversity, they must be strategic partners in the international community” (EU 2005, 4–19). Such normative political assertions are at the very forefront of Brussels’ assertion that “Africa and Europe are bound together by history, culture, geography, a common future, as well as by a community of values: the respect for human rights, freedom, equality,
solidarity, justice, the rule of law and democracy” (EU 2007b, 1). In contrast, Beijing’s regionalization of Africa has prioritized economic development. The point, therefore, is not whether these democratic values are being implemented in Africa; but whether the PRC’s “no-strings” framework for the regionalization of the continent is more relevant to the African context (Ramo 2004).

It would appear that for the time being the EU is better attuned to the different regional arrangements in Africa, with program established with the Southern African Development Community (SADC), the Common Market of Eastern and Southern Africa (COMESA), the East African Community, the Indian Ocean Commission, and ECOWAS. The PRC may well be establishing some regional-level links in Africa, but Beijing’s focus is still predominantly on bilateral program. Africa, however, is becoming the scene for competition between the EU and China. As one observer put it “China’s business-first approach is undermining EU efforts to boost sustainability and governance standards” (Berger 2007).

**Latin America**

History and language give the EU a substantial presence in Latin America. The EU has had a deliberately regional approach (Santander and Lombaerde 2007). There have been ongoing EU-strategy documents drawn up by the Commission for Latin America as a whole, most recently with the 2007–2013 “Regional Strategy Paper” (which followed the 2002–2006 one), which explicitly focuses on ways in which “the two regions must work together” (EU 2007d, 7). Political dialogue is maintained at this general level each year, either through the biannual EU–Latin America Summit of Heads of State or the ministerial EU–Rio Group. Their 2008 “Lima Declaration” included development and climate issues.

Below this broad regional framework, the EU engages Latin America at the sub-regional level as well. In this regard, some have pointed out that “inter-regionalism is particularly strong in the EU’s external policies towards Latin America, where the EU has interregional partnerships with most relevant sub-regions” (Söderbaum et al. 2005, 366). Thus, the EU has entered into a “Political Dialogue and Cooperation Agreement” with the Andean Community, a “Framework Cooperation Agreement” with MERCOSUR—it has actually been termed “one of the most developed cases of inter-regionalism that exists anywhere in the world” (Söderbaum et al. 2005, 366). Negotiations for a deeper “Association Agreement” began in 2000, subsequently concluded on political and cooperation areas, but remained stuck on setting up a FTA. Sub-regional linkages with Central America have also been sought by the EU (Argueta 2008). The EU’s relations with the Caribbean have emerged from its close colonial ties of member states like the UK, France, and the Netherlands. In this respect, Brussels has acknowledged that “the EU stands behind the Caribbean objective to build regional unity in the Caribbean, with CARICOM being the axis of integration and CARIFORUM of cooperation” (EU 2006a, 3).
China does not have the same historical legacy in Latin America like European states, but Beijing has tried to turn this to its advantage (see Chapter 14). The PRC has thus instituted the four-yearly China–Caribbean Economic and Trade Cooperation Forum, the biannual Dialogue Conferences with MERCOSUR (since 1998), and the biannual “Political Consultation and Cooperation Mechanism” of the Sino–Andean Community (since 2002). In the negotiations of the WTO Doha Round in Hong Kong in December 2005, MERCOSUR (in particular Brazil) and China worked together against EU agricultural subsidies as a trade distorting advantage for Europe. Latin American tours by the Chinese leadership have become a feature of recent years, much to the discomfort of the USA. The interest for China in Latin America remains more at the bilateral state level; with Brazil as the regional giant and multipolar partner, Venezuela for its energy resources, and Panama for access to the Panama Canal.

Central Asia

Central Asia is an important region for China. Parts of it used to be under Chinese imperial control in earlier centuries (see Chapter 2); whilst China’s current grip on its own Central Asian provinces of Xinjiang and Tibet are directly affected by events elsewhere in the ex-Soviet Central Asian states. Whilst Central Asia is part of China’s immediate neighborhood, the region is not construed as the immediate vicinity of the EU—i.e., it is part of the so-called “the ‘Neighbors of EU Neighborhood’” (EU 2007a, 7). Nevertheless, both the EU and China are concerned about the regional stability of Central Asia, especially by the threats posed by the rise of Islamic fundamentalism and the prospect of destabilization spreading from Central Asia eastwards towards China and westwards towards the Caucasus, the Middle East, and, ultimately, Europe.

Both the EU and China have common interests in strengthening transport infrastructure through the region, exemplified in the Euro-Asian Transport Corridor Network. The EU quickly started up the TRACECA (Transport Corridor Europe–Caucasus–Asia) Project in 1993, funded under their TACIS program, and subsequently settling down at intergovernmental level in 1998. China’s attitudes towards TRACECA are unclear. On the one hand, Beijing has indicated its willingness to develop alternative routes of its own; whilst, on the other hand, China has also shown an interest in joining the TRACECA project. A final link-up to China’s transport system would complete the network, and reflect China’s growing readiness to extend transport links westwards (Garver 2006).

Indeed, geopolitical undertones can be seen in the EU’s attempt to anchor, if not reorient Central Asia westwards, though overlapping regions. The EU’s Black Sea regional outreach is being extended eastwards (Yannis 2008). The Black Sea-Caspian “Baku Initiative” links the EU and Central Asia together in a ministerial and working parties framework, complete with yet another cross regional linkage in the shape of the EU “Black Sea and Caspian Sea Basin and its Neighboring
Countries Energy Cooperation Secretariat.” Energy security underpins the “Baku Initiative” (Baran 2008).

Both the EU and China have clear energy interests in Central Asia—a tendency which appears to make concerns about democratization and human rights issues are rather irrelevant. The sense for the EU Commissioner for External Relations, Benita Ferrero-Waldner (2008, 2), at the EU-Central Asia Security Forum on Security Issues was that “strengthening our energy partnership with Central Asia is a top political priority for the European Union. The region is central to our strategy of diversification of energy supplies and supply routes.” Similar energy diversification imperatives operate for China in Central Asia (Peyrouse 2007, 46–69; Clarke 2009), and with it a degree of energy competition emerging between the EU and China in Central Asia. On the one hand stands the eastern corridor Kazakhstan–China pipeline; on the other hand stands the southern corridor Caspian–Baku–Turkey pipeline.

Human rights and democracy issues continue to be an area of divergence in the EU’s and the PRC’s policies towards Central Asia (see Chapter 11). The EU contends that “the development and consolidation of stable, just and open societies, adhering to international norms, is essential to bring the partnership between the European Union and Central Asian states to full fruition.” Talk of international norms is a code word for political values, “good governance, the rule of law, human rights, democratization, education and training are key areas where the EU is willing to share experience and expertise” (EU 2007c, 5). It is significant how the EU lists its aims in Central Asia, “the Strategy defines EU priorities for its cooperation with the region as a whole, including in the fields of human rights, rule of law, good governance and democracy, education, economic development, trade and investment, energy and transport, environmental policies, common threats and inter-cultural dialogue” (EU 2008c, 1); with the human rights/democratization values put at the forefront.

One further avenue for the EU’s regionalization of Central Asia has been the setting up in 2008 of the EU-Central Asia Forum on Security Issues (which involves Brussels with Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan and Kyrgyzstan). It had a clear enough rhetoric on how participants “are driven by a shared commitment to developing and organizing our long-term partnership on the basis of common objectives and undertakings to strengthen peace and stability in Central Asia, respect for human rights and the development of the rule of law and democracy” (EU 2008c).

Of course in the case of countries like Turkmenistan one can wonder about the genuineness of such democracy/human rights rhetoric, but that misses the point; such rhetoric does not appear when it is a question of China-Central Asia matters. However this creates tensions for the EU within its regionalization approach that China does not face. In contrast, China can, and does, just simply focus on issues of security and energy, in Central Asia. Whereas China is a founding member of the SCO, the EU has little links with its regional counterpart. Instead the EU has so far channeled its regional strategy with just the local five states of Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan and Kyrgyzstan together, at various
Comparing the Regionalization Strategies of the EU and China

ministerial meetings involving the EU-Central Asia Ministerial Troika from the Council of Ministers, attended by the EU Commission as well. There seems some reluctance on the part of the EU to complicate its Central Asian strategy further by initiating relations with the SCO. In part this is ideological, as the SCO has labored under Washington’s disapproval as something of a “club of dictators.” In part it is organizational as the SCO has few supranational aspects for the EU to engage with (Bailes 2007, 18). China’s membership of the SCO does not bring any particular erosion of Beijing’s sovereignty; the SCO very deliberately is set up as a non-supranational non-EU style regional body.

Conclusions

This chapter has evidenced that the EU regionalization approaches are underpinned by a strong normative emphasis on democratization and human rights, whereas China’s does not. The implementation of such a democracy-human rights agenda is not always consistently applied, Brussels’ rhetoric is clear enough—“the EU strives in particular to promote prosperity, solidarity, human rights and democracy, decent work, security and sustainable development worldwide” (EU 2007, 4). Whereas the EU trumpets internal democratization preferences, and proclaims the merits of liberal democratic values stemming from the European evolution; China instead proclaims a de-Westernizing “democratization of international relations.” Such regionalization strategy is laden with the emphasis on state-sovereignty and multipolarity.

Indeed, this emphasis on state sovereignty by China points to a further difference in regionalization strategies. Inter-regionalism (between regions) can be distinguished from regional cooperation (state to state). The EU was founded on a regionalism superseding the narrower frameworks of the nation state. The argument then is that being created as a regional entity, the EU consequently has a disposition—a pre-existent sympathy—towards inter-regionalism (Aggarwal and Fogarty 2004) in its external relations. Conversely, China, as a nation-state actor uses regional openings as an avenue to pursue its own national interests, but has no particular pre-existent sympathy towards inter-regionalism as a concept or a policy-framework.

Nevertheless it seems that China’s involvement with other regions is already generating distinct socialization dynamics in world affairs. Beijing’s regionalization, therefore, indicates a nascent tendency towards establishing distinct communities of practice. The counterpoint to this convergence is reemphasis on divergence, Inayatullah and Blaney’s (2004, 44) sense of “international society in which the problem of difference is pervasive.” Certainly, at present China has policies and involvement vis-à-vis other regions, whilst the EU, per se, represents a classical form of a Western mode of regionalism. Whether this is, or is not, a better thing is of course a matter of interpretation. Yet, the observation of the regionalization practices initiated by both Brussels and Beijing indicate the need to deepen (not only broaden) the study of comparative regionalism.
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PART II
Insights from the Global Politics of China’s Regionalization
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Chapter 9
China and the Political Economy of Regionalization in East Asia
Yongjin Zhang

Introduction

East Asia has been a site of some exciting experimentation and exploration for a number of regional projects. The market-driven and informal regional economic integration of East Asia has long been recognized in the extensive discussions of the export-led growth model, the rapid economic take-off of the Newly Industrializing Economies (NIEs) and in the formation of regional production networks. Such market-driven regional integration—dubbed as “regionalization without regionalism”—has often been contrasted with the European model of regional integration driven by formal bureaucratic processes and emphasizing legalistic decision-making procedures. The “open regionalism” attributed to the APEC (Asia-Pacific Economic Cooperation) is another regional project of considerable significance. In the last ten years, the drive for regionalization in East Asia has gained new momentum in the wake of the Asian financial crisis. Bilateral and mini-multilateral free trade agreements (FTA) have proliferated in East Asia, a region with a strong traditional aversion to bilateral preferential FTAs. The agreement to establish the ASEAN-China Free Trade Area (AFTA) and its effective and innovative implementation provide new dynamics to regionalization in East Asia. Conscious pursuit of regionalism by East Asian governments has seen the initiation of the “ASEAN+3” (APT) and the active institutionalization of its policy consultation process and most recently, the convening of the East Asian Summit (EAS), which held its first summit in Kuala Lumpur in 2005 (Ravenhill 2002; Breslin 2005; Yoshimatsu 2008).

The East Asian experimentation and pursuit of regionalization and regionalism has understandably attracted considerable scholarly attention and has been central to the policy debates concerning regional political economy. Studies of East Asian experience in pursuing regional cooperation and integration constitute and contribute to the emerging corpus of scholarship on new and comparative regionalism (Havie and Lee 2002; Breslin et al. 2002; Shaw and Söderbaum 2003; Warleigh-Lack 2006). However, if these studies have enriched the existing literature on regionalism and regionalization (both theoretically and empirically) the assessment of the success and failure of the East Asian pursuit has been a subject of considerable debate from a diverse range of perspectives, theoretical
as well as national (Katzenstein 2005; Noble 2008; Yoshimatsu 2008). While causal explanations of the unprecedented moves taken by East Asian governments to pursue regionalist projects are contentious, the existing literature is still, as John Ravenhill (2002, 169) argued, “often characterized by hypotheses that are mutually contradictory and/or which have not stood up well to empirical testing.” One might hasten to add that many have not stood up to the test of time.

One of the central contending points is how to evaluate the role of China in the regionalization and geo-economic transformation of East Asia as a region (see Chapter 5). While noting that Peter Katzenstein’s 2005 book A World of Regions tends to “denigrate the importance of China” in the construction of the East Asian region, Greg Noble (2008, 248–249) nevertheless stated that “[d]espite the increasing importance of China, only Japan combines political stability, a large, sophisticated, and mostly open financial system, a willingness to provide substantial aid and bureaucratic, academic and professional expertise in all fields of potential cooperative effort.” In contrast, Samuel Kim (2004, 52) claimed that “although the Cold War never ended completely or neatly in East Asia, the region has experienced a profound geo-economic transformation in the post-Cold War era. China has been at the center of this transformation.”

This chapter contributes to the debate on the centrality of China in East Asia’s pursuit of regionalization and regionalism. Adopting what might be regarded as an eclectic approach, I explores a number of issues the significance of which I believe have been either obscured or overlooked in the existing literature on the political economy of regionalization in East Asia. I discuss first how the idea of East Asia has been historically constructed, and in what sense China is central in the geo-strategic conception of East Asia as a region. This is followed by my examination of the emergence of what I call a liberating global economic order, which, I argue, not only makes it possible to integrate China—erstwhile “an arrogant outcast” (Time 1963) and a revolutionary power—fully into the global economy, but also opens a new vista for regionalist projects in East Asia. Against this background, I investigate the transformation of Revolutionary China into a globalized state. The final section discusses China’s pursuit of new regionalism in East Asia in the last decade as part of its new strategy in search of wealth and power.

While acknowledging that a complex array of global, regional, national and local actors and forces are at work in shaping the political economy of regionalization in East Asia, I argue that regional projects in East Asia have already been shaped by what has happened in and to China in the context of global transformation. With China’s rise as a significant regional and global player, the trajectory of East Asian regionalism will be increasingly subjected to China’s policy considerations, strategic choices, and willingness to cooperate, which are in turn shaped by the collective pursuit of regionalism by East Asian governments. Such arguments highlight a specific set of dynamics centred on the transformation of China that drives regional projects in East Asia, and suggests the path-dependent nature of the evolving regionalization in East Asia, which has to accommodate and adapt
to conditions, circumstances and contingencies of regional and global political economy.

China and the idea of East Asia

The idea of East Asia as a distinctive region in the global political economy in the 21st century is no longer contested. However, the conception of East Asia as such a region in both geographical and analytical terms is quite recent. The historical regional construct of East Asia owes much to conflicts, wars, revolutions and geo-strategic imperatives in the 20th century. China is pivotal in such a regional construct.

Historically, a broad area of Chinese (or Confucian) cultural influence was extended well beyond the Chinese borders. The traditional tributary system presided over by Imperial China constituted a so-called “Chinese world order,” which incorporated a considerable number of neighboring states and polities. For over two millennia, the sustained cultural, economic, political and social interactions between Imperial China and other polities and between the Chinese people and peoples beyond Chinese borders were as intensive and complex as those in the European world. Though neither the Chinese nor other peoples and states involved in the Chinese world order ever conceived their known world as a region (let alone one called “East Asia”), this shared historical experience exercised and continues to exercise strong influence on those peoples involved in imaging of identities and cultural heritages.

What came first to delineate the geographical region known today as East Asia in a rather fuzzy fashion is an unabashedly Euro-centric term—the Far East—invented by the British. The expansion of European international society in the second half of the 19th century into the “Far East” not only initiated a series of “clashes of civilizations,” but also attempts to cast the polity of Imperial China and Imperial Japan in the image of the European nation-state (Gong 1984; Zhang 1991: Suzuki 2009). The Sino-Japanese war of 1894–1895 and the Anglo-Japanese Alliance in 1902 established and eventually legitimized Imperial Japan’s claim to great power status. Symbolically, it introduced the geo-strategic imperatives into the conception and definition of a regional construct. Combined with the declaration of an “open door” policy by the USA with regards to China at the turn of the 20th century and the Russo-Japanese War in 1905 (which was ironically fought almost exclusively on Chinese territory), great power rivalry and war began to shape the emergence of East Asia as a regional construct in its own fashion.

World War I, ferociously fought in Europe, also had a “Far East”-dimension. It is the so-called Far Eastern question, unresolved at the Paris Peace Conference in 1919, that led to the Nine Power Treaty signed at the 1922 Washington Conference. It is at the Washington Conference that East Asia emerged as (arguably) the second most important region in world politics where great power rivalry and cooperation were to play out. With hindsight, the Washington Conference is exceptionally
important in the construction of East Asia as a region for one other reason. It marked the beginning of the irrevocable involvement of the USA as an indispensable player in the strategic balance of power in East Asia. The Soviet regime was not party to either the Paris Peace Conference or the Washington Conference. But the Bolshevik Revolution exerted its own impact on the emergence of East Asia as a region—most demonstrably in the deadly confrontations between the two superpowers during the Cold War in the second half of the 20th century.

By the start of World War II, the idea of East Asia as a region gained firmer footing. The first explicit but ill-fated attempt at constructing a regional grouping in East Asia was made by Imperial Japan during World War II. The imperialist imposition of the “Greater East Asian Co-prosperity Sphere” in the wake of the Japanese invasion and occupation of China and other Southeast Asian nations was understandably rejected by those countries and peoples. The Sino-Japanese War in the 1930s and 1940s, the Japanese imperial expansion in East Asia, the Pacific War, the unconditional surrender of Japan and the American occupation of Japan—all contributed to the conception of East Asia as a region in geo-strategic terms.

In the second half of the 20th century, wars and revolutions continued to prevail in East Asia. Anti-colonial revolutions led to the collapse of the Dutch, the British, the French and the Portuguese empires in Asia. Out of their ashes rose a number of newly independent states and eventually the formation, most importantly, of a sub-region—Southeast Asia. Communist revolutions in China, North Korea and Vietnam made East Asia an important battleground during the Cold War. Although major military and nuclear confrontations between the two superpowers—the USA and the former Soviet Union—were in Europe as embodied in the confrontation between the NATO and the Warsaw Pact, it is East Asia that witnessed two deadly hot wars—the Korean War and the Vietnam War—and the most uncompromising confrontations between Communist China and the USA. These wars and revolutions—closely related to the formation of what Peter Katzenstein (2005) called “the world of regions”—further entrenched thinking about East Asia in regional terms.

The key point that I am trying to make here is that China is central to the historical construction of East Asia as a region. As a historically contingent and constructed idea, the regionness of East Asia is highly elastic and malleable and its boundaries are at best fuzzy. It encompasses a vast geographic area where peoples and states claim varying degrees of shared historical experience and where cultural heritage is as much a uniting factor as a dividing reason. With the end of decolonization, East Asia is dotted with states of diverse political systems and vastly different economic/developmental levels, and with peoples of various cultural traditions and religious beliefs as well as a wide range of ethnic groups. Such regional characteristics, vastly different from those of the European region, constitute the foundation on which regionalization in East Asia was to be pursued—this is an important starting point for understanding the discussions that follow.
China and the Political Economy of Regionalization in East Asia

China and the new liberating global economic order

If geo-strategic imperatives helped facilitate the conception of East Asia as a region of its own right in the first half of the 20th century, they also cruelly fragmented the region during the Cold War. In the Cold War confrontation, the East Asian region was practically split in the middle along ideological lines. The American-dominated “hub-and-spoke” bilateral security alliances arrangements in the Asia-Pacific had purposeful fragmenting effect in the region. Most symptomatic of such a division is the persistence of three divided states: North and South Koreas, North and South Vietnams and China and Taiwan. The geo-strategic imperatives, particularly security interests and alliance politics between the USA and its allies, also dictated the political framework within which the capitalist world economy operated. It functioned principally to promote cohesion and cooperation among the anti-Communist alliance. Compromises of important national economic policy differences were made in the name of common strategic interests. The purpose of the capitalist-dominated international economy was, according to Robert Gilpin (2001, 11), “primarily to strengthen the economies of the anti-Soviet alliance and solidify the political unity of the United States and its allies; this goal frequently necessitated acceptance of trade discrimination and illiberal policies.” As the sworn enemy of the USA in East Asia, Communist China was logically at the receiving end of the American containment strategy in the region.

Communist China as a revolutionary power was not recognized by Washington and its allies and was excluded from the UN until the early 1970s. Revolutionary China, on the other hand, supported almost all insurgent communist movements in Southeast Asia. It ran practically an autarkic economy. With such regional and global milieu, any intra-regional and inter-regional cooperation in East Asia, not surprisingly, remained hostage to the Cold War security structure.

The end of the Cold War and the collapse of Communism removed the strategic rationale and de-legitimized the systemic purpose that had underlined the fragmentation of the world economy during the Cold War. Such political transformation, combined with economic revolution and technological innovation, Robert Gilpin (2001) argued, ushered in “a new global economic order at the beginning of the 21st century” with a changing purpose. Even in East Asia where the Cold War frontiers on the Korean Peninsula and across the Taiwan Strait remain largely intact, the changing purpose of the new global political economy has profound liberating effect that has unleashed new momentum for regionalization in East Asia.

More specifically, the new and emerging global economic order is liberating in three important aspects for the advance of East Asian regionalism with particular reference to China. In the first place, it created the necessary political conditions for the integration of national economies erstwhile on the other side of the ideological divide, in Eastern Europe as well as in East Asia, into the global market economic system. The rapid development of China as the largest emerging market would not have been possible without such liberating effect. With the removal of the strategic
rationale constraining the forces and effects of globalization, it opened up new possibilities for emerging Asia to engage in ambitious region-wide political and economic integration projects. It allowed, for example, the expansion of ASEAN to incorporate Cambodia, Laos, Myanmar and Vietnam into its membership. It also produced favorable strategic conditions for regional projects such as the ASEAN Regional Forum (ARF) and “ASEAN+3” to be pursued rewardingly.

Secondly, the changing purpose of the emerging global economic order affects mutual perceptions between China and the USA, and consequently their mutual engagement, in fundamental ways. While the restrictive nature of the international political economy during the Cold War adds to the explicability of their mutual hostility, one could argue that there is clearly today a broad, though tacit, agreement between Beijing and Washington about the primary purpose of the emerging global economic order. While their strategic and security interests in East Asia continue to be at odds, their economic interests are often seen as partially converging. This lays the foundation for their cooperation in areas beyond global economic governance and makes their rivalry amenable to compromise. It leads to China’s reading of the unipolar world as not so threatening and to its grudging acceptance of the hegemony of the USA, though not without frequent contestations. For the USA, China no longer represents a willful disruptive force committed to a different economic order. With unfolding economic transformation, it is increasingly viewed as a market opportunity and an engine of growth for regional and global economy.

Thirdly, it reinforced the market-oriented reforms in China and led to China’s endorsement of globalization and the unfolding global economic order (Zha 2003), which in turn imposes a convergent policy agenda on Chinese economic reform. The mutual endorsement of China in the emerging global economic order is seen—in the first instance—in the context of the long winding road of negotiations for China’s entry into the WTO. Such mutual endorsement has significantly enhanced the legitimacy of the emerging global economic order. It is also seen in the willingness on the part of China to seek its developmental goals and national ambitions within the emerging global economic order, in spite of its frequent rhetorical challenge to the power structure embedded in the global political economy. Viewed from this perspective, China is an integral part of this emerging global economic order and contributes to the emergence and construction of a market-oriented global economy.

In the final analysis, the liberating effect of the emerging global economic order owes much to the convergence of the imperatives of Chinese economic reforms and global economic transformation. If globalization is constitutive of the great transformation of the Chinese economy, the changing purpose of the emerging global economic order also makes possible China’s full participation in projects of regionalization in East Asia.
The transformation of Chinese state

Globalization is punishing to the Chinese state. At the first glance, this statement seems gravely false. Isn’t it often said that China is a winner of globalization? Is it not true, after all, that it is under the conditions of globalization that China has become the second largest trader in the global economy and a significant global investor? Is it not also true that China now holds the largest foreign currency reserve in the world? Such observations, however, obscure a particularly significant transformation of the Chinese state that is crucial for all regionalization projects in East Asia. Economic reforms over the last three decades have transformed China from an isolated nation into a globalized state.

As is widely acknowledged, the existing global economic institutions derived largely from the Bretton Woods have been shaped by the dominant powers in the world economy. Those powerful states continue to establish global norms and rules, either directly through consultation among themselves, or by proxy through their dominance of the IMF and the World Bank. Globalization, Ian Clark (1999, 55) observed astutely, “is not divorced from the power structures associated with inter-state relations and, as such, the strong states of the North have thus far imposed heavier imprints upon it.”

It is worth recalling that Chinese economic reforms were launched at a time when there had already been prevailing embedded norms, institutions and procedures in the world economy. As Robert Cox (1987, 254–260) argued, by the end of the 1970s, the habit of policy harmonization among major advanced capitalist countries had been institutionalized. The inter-state consensus formation among them had all but completed in defining ideological basis for such consensus, the norms of “correct behavior” and the principles and purposes within which to harmonize their policies. More importantly, through the power structure in international politics as well as in international production, such a consensus was turned into a global one, with which national policies and practices of all participating members in the global economy had to be adjusted to comply.

With hindsight, the most punishing step in China’s short march towards a globalized state—i.e. China opting to be embedded into the global market economy—is to confront the hegemonic capitalist world economy of this nature, which threatens to turn the Chinese state inside out. China’s quest for “deep” economic integration into the global economy has accordingly been accompanied by progressive restructuring of its economic policies and institutions aimed at instituting a general pattern of “correct” and “acceptable” economic behavior in this capitalist-dominated system. To accommodate the exigencies of the global economy, strategically and instrumentally adopting commonly accepted practices, norms, standards and principles in the China’s national economic system is perhaps inevitable. Such adoption, however, is also partially enforced externally imposed. According to Cox (1987, 266),
the ideological and political power of global hegemony restricted the forms of state that were tolerated within this world order. A combination of rewards and penalties—access to credit for compatible and political destabilization of incompatible national regimes—enforced conformity.

If the compliance enforced on China by WTO and its members aimed at “locking in” economic reforms in China, it was also directed at making sure that Chinese economic behavior is “correct” and acceptable. China’s entry package to the WTO represented and reflected, therefore, its compromises with as well as contestations to this hegemonic global economic order.

It follows that the characterization of the transformation of China from a revolutionary power to a reformist state captures only the early transition of the Chinese state in the reform era. The simple caricature of China either as a successful globalizer or as a winner in globalization fails to address the question of the changing role of the Chinese state in China’s economic transformation. One particular perspective that helps to appreciate such a change is to look at how the Chinese state has played an increasingly successful broker’s role in the mutual engagement between globalization and China.

The “Beijing Consensus” used imaginatively by Jashua Ramo (2004) in summing up what he regards as an alternative economic development model to the so-called “Washington Consensus” emphasizes in particular the state’s commitment to innovation and constant experimentation as a key to China’s success story. It is generally accepted that the success of Chinese economic reforms owes much to the state in navigating such reforms through a testing global/domestic vortex, which has been extremely volatile and has not always been hospitable. The current global financial crisis is a case in point. It has played an enviable role in cushioning and mediating the destabilizing and unsettling effect of globalization, ensuring domestic social and political stability. It has at the same time enabled China to take full advantage of globalization for its economic development. Ian Clark’s argument (1999, 67) is more to the point, when he asserts that the state is “a key player in determining whether the cost of international disciplines should be borne domestically, or whether domestic disturbance will be allowed to overthrow international regulation.”

Is the “globalized state” an inherently self-contradictory term? The conventional wisdom asserts that globalization erodes state sovereignty and upsets the foundations of the existing international system. In creating a borderless world, globalization accentuates the tensions between the market and the state, which embody two fundamentally different organizing principles in our global political and economic life. The survival of the state and the system of states accordingly depends on their successful resistance to or accommodation of globalization as externally imposed conditions. There is, in short, an inherent antagonism between the antithesis of globalization and the state.

There is, however, an alternative perspective. This perspective does not see globalization as an externally imposed, technology-driven project of modernity.
Instead, it looks upon globalization as a new stage of a historically protracted process through which states seek to integrate among themselves, choose to engage in different forms of interaction and pursue convergent policies to promote peace and prosperity. Globalization is therefore what states make of it. Viewed from the vantage of this analytical perspective, sovereignty and state power are simply reconstituted and reconfigured for individual state as they choose to respond to and produce globalization in different fashion. Moreover, as states are responsible for the reproduction of globalization, state’s choices matter.

The metamorphosis of Revolutionary China into a globalized state, therefore, readily acknowledges the transformation of the Chinese state in several ways. First, in successfully fostering a special set of relationships between globalization and Chinese economic development, the state has become an indispensable broker in mutual engagement between China and globalization. One of the purposes of China’s “custom-made” approach to globalization is, therefore, to ensure that the Chinese state is made fit to play a strategic brokerage role in such mutual engagement. Such a role dictates that the state to devise and implement a series of policy instruments in navigating China’s sometimes turbulent and problematic transition to a market economy while maintaining growth and economic and social stability (Fan 2004). One notable example of the successful state’s intervention is seen in the dramatic alleviation of poverty in China during the reform years. China has—the World Bank often claims—given globalization a human face (Sanstrom 2000; Park 2009).

Second, progressive restructuring of political and economic institutions of the Chinese state has indeed been instituted in China’s custom-made approach to globalization. China’s appointment with globalization has entailed constant and ongoing attempts at internal institutional changes, institutional capacity building and institutional innovation of the Chinese state. It compels major reconfigurations of the state bureaucracy to accommodate the transition from the planned economy to market economy. Between 1978 and 1998, the State Council underwent four major restructurings in 1982, 1988, 1993 and 1998 respectively. In the 1998 restructuring, the number of ministerial level organization under the State Council was reduced from 40 to 29 (Zheng 2004). The renaming of the State Planning Commission to the State Development Planning Commission and then to National Development and Reform Commission (NDRC) is symbolically significant. More tellingly is the abolition of the State Economic and Trade Commission in 2002, which was in the late 1990s China’s most powerful economic bureaucracy, nick-named the mini-State Council. In 1995, the Central Bank Law was enacted to reinvent the People’s Bank of China as the central bank of China. A modern taxation system has to be introduced and a nation-wide social welfare system, invented. Notable of more recent changes of central economic bureaucracy are the creation of the Ministry of Commerce, a super-ministerial organization to replace the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) and the Ministry of Internal Trade; and the establishment of a new national commission:
State-owned Assets Supervision and Administration Commission (SASAC) directly under the State Council.

Third, globalization also regulates the external political and economic behavior. Behavioral changes, policy adaptations and state bureaucracy reconfigurations adjusted to the exigencies of the global economy do not only lead to China’s pursuing increasingly convergent policies and practices in the global economic system. They also relocate the main source of state legitimacy to external actors and institutions. It is no coincidence that it is during the “legitimacy crisis” of the CCP in the early 1990s that the debate as to whether Chinese economic reforms were “capitalist-oriented” or “socialist-oriented” was officially brought to an end. By 1997 when the CCP officially embraced market economy as the legitimate final goal for Chinese reforms, the political legitimacy of the regime has become increasingly contingent on its successful engagement with global and regional institutions such as APEC and WTO. While domestically, the CCP relies on mobilizing popular nationalism to address its “legitimacy deficit,” the political logic of growth-based legitimacy dictates its external policies in regard to economic globalization and regionalization.

My argument here is that as part of the state-transformation, the purpose of the Chinese state has been redefined with China’s actively engagement with globalization. Allowing capitalism to flourish and legitimating the hegemony of the capitalist mode of production is antithetical to the very purpose of the Chinese communist revolution. The Chinese state has to be reinvented. If the search for wealth and power remains the ultimate goal of China’s quest for modernity, it is to be realized through entirely different approaches. National ambitions will no longer be served by making revolutions, but through seeking economic development under the conditions of globalization.

China and new regionalism in East Asia

The Asian financial crisis in the late 1990s is undoubtedly the most brutal revelation of the face of globalisation for the region. It led quickly to a spectacular meltdown of the “East Asian miracle,” which is perhaps most traumatically documented. The post-crisis regionalization of East Asia has taken a new turn towards the so-called “new regionalism.” The debates on new regionalism in East Asia are noteworthy in particular for two of its explicit acknowledgments in our context.

One is that globalization and regionalization are mutually constitutive, though sometimes contradictory. As a result of post-crisis reflections, Dieter and Higgot (2002, 3) argue, “Asian policy communities have learned that globalization and regionalization are not mutually exclusive activities but rather they exist in a dialectical relationship.” The other is that regional cooperation has important mediating effect in the age of globalization and regionalism can be effective means both to engage and to resist globalization. Regionalism is said to have been developed “as a means of dealing with regionalization/globalization” (Kim 2004,
Along this line, but with his own twist, Mark Beeson (2003, 251) argues that “while we may be living in an era dominated by the idea of globalization, the reality is that global forces are powerfully mediated by regional factors with the consequence that ‘globalization’ looks very different in various parts of the world.”

The Asian financial crisis in the late 1990s is, in this sense, the defining moment for the regionalization of East Asia. “Open regionalism,” frequently touted as a key innovation of the APEC, was quickly abandoned. The pre-crisis regional economic integration characterized as “regionalization without regionalism” was seen as grossly inadequate. After the crisis, regionalism has become an economic as well as a political project to be pursued collectively by both Southeast Asian and Northeast Asian states and governments. East Asia’s traumatic learning experience instilled East Asian states with a strong sense of vulnerability associated with the processes of globalization and regionalization. In this context, regionalism assumed additional significance and was seen to serve different purposes. It was conceived as an effective means to mediate undesirable effect of unfettered and unregulated forces of globalization. It was seen as conducive to constructing regional institutional capacity and economic governance. It provided a valuable pathway for collective problem solving through closer policy coordination at the regional level.

A complex set of multiple catalysts is behind the rise of a “new regionalism” in East Asia. The Asian financial crisis, however, acts as a key catalyst in several ways. First, it prompted East Asian nations to rethink and reassess the cost and benefits of economic globalization and the vulnerability of their economies, particularly to the destabilizing effect of unpredictable global capital flows. Second, it exposed the institutional limits and flaws of the existing regional integration projects. Neither ASEAN nor APEC provided any meaningful advice and response to the biggest economic crisis that had ever struck the region since 1945. Neither was able to offer any liquidity assistance. Third, and more importantly, it set off a deep sense of resentment among East Asian nations against the USA and the IMF. There was a pervasive perception in the region that not only that the crisis was triggered by the premature opening of capital accounts in Thailand and Indonesia induced by the so-called “Washington Consensus,” but that the USA remained largely indifferent to the crisis. The policy prescriptions and rescue packages offered by the IMF only exacerbated the crisis, as they were directed to advance the IMF agenda and financial interests of advanced industrial countries, not designed to rescue East Asia from the crisis (Dieter and Higgot 2002; Beeson 2003; Kim 2004). In a scathing critique, Fred Bergsten put it succinctly that “most East Asians feel that they were both let down and put upon by the West” (Bergsten 2000).

It is perhaps noteworthy in this context that constructivists advanced an argument about the role of the Asian financial crisis in the identity formation of East Asian states. As John Ravenhill (2002, 175) observed, “few would question the role that the financial crisis played in fostering a sense of common identity, the image of a region in adversity besieged by outsiders ‘ganging up’ in their
attempts to exploit the difficulties that East Asian governments faced.” How much this common identity has been sustained and continues to work ten years on in promoting the regionalization in East Asia is, however, very much an open question.

Although not significantly affected by the Asian financial crisis, China came quickly to embrace the new thinking behind the emerging regionalism in East Asia. Behind China’s endorsement, however, are also a series of broader strategic considerations. One principal foreign policy goal of Beijing has been to foster a peaceful and stable strategic environment conducive to its economic development. East Asia is a vital policy concern in such strategic consideration. China’s policy behavior during the crisis—ranging from standing firm on not devaluing RMB and offering sizeable liquidity dollar for both Thailand and Indonesia—was consistent with the achievement of this goal. What the crisis did highlight is the danger of any contagion and damaging effect of regional economic crisis on security and prosperity in East Asia. “Economic security” has since been featured high on the agenda of Chinese regional foreign and strategic policies. For Chinese policy makers, closer regional cooperation is not only desirable to head off potential crises at the regional level in the future but serves the overall strategic interests of China in the region. Moreover, Chinese policies during the Asian financial crisis gave a sense of confidence to the Chinese leaders that China had a pivotal role to play in ensuring regional stability and encouraged China to take up a leadership role in future regional projects. Samuel Kim (2004, 61) was to the point, when he argued that in the post-crisis environment, “China’s desire to act as a regional great power has both removed an obstacle and provided a catalyst to regionalism.”

It is perhaps no coincidence that the process of constructing the “ASEAN+3” (APT)—‘the first truly East Asian grouping’ (Ravenhill 2002, 168)—initiated at the height of the Asian economic crisis evolved quickly into a main vehicle in reinventing regionalism in East Asia (Stubbs 2002). By 2000, Fred Bergsten claimed that the APT “has become the most active regional grouping outside Europe, and already has more sophisticated machinery than the North American Free Trade Agreement” (Bergsten 2000). It is worth noting, though, that APT as a regional project is seen as useful in serving a diverse range of strategic objectives in promoting the distinct agendas of its participants. For ASEAN collectively, linking it up with two of the largest markets and economies—China and Japan—and bridging the divide between Southeast and Northeast Asia are most important economic and political objectives. Engaging China and enmeshing it in a web of regional institutions remains its principal strategic objective.

Among the APT countries, China was the keenest to push the process forward. From the formal inception of the APT process in 1999, China has pursued an agenda that has gradually expanded its cooperation with ASEAN under the APT process from economic fields to political and strategic areas. To facilitate China’s participation in the APT process, in 2002, Beijing signed the Declaration on the Conduct of Parties in the South China Sea (DoC) with Southeast Asian nations concerned; in October 2003, it acceded to the Treaty of Amity and Cooperation
in Southeast Asia (TAC); and in January 2004, with the signing a Memorandum of Understanding, it formalized its cooperation with ASEAN in the field of non-traditional security issues (Wang 2004). In contrast, Japan was noted for its half-heartedness in pursuing the institutional consolidation of the APT. As noted by Beeson and Yoshimatsu (2007, 231), “both Australia and Japan invested a good deal of political capital in trying to promote the Asia-Pacific idea and now find themselves scrambling to come to terms with an emerging regional order that is coalescing around ‘ASEAN+3’, rather than the APEC forum they so assiduously promoted.”

Equally significantly, in May 2000, the crisis-generated consensus on the need for regional financial cooperation led to the launch of the so-called Chiang Mai Initiative (CMI) by finance ministers of APT. The CMI aims to create a network of regional bilateral currency swap arrangements designed to protect regional currencies from speculative attacks and as a solution to liquidity problems faced by participating states. This is the first time that East Asian states took concrete collective action in reserve sharing to enhance regional monetary cooperation, though it was modest in nature. The involvement of Japan and China proved to be of particular importance, since they held respectively the world largest and second largest foreign currency reserves at the time. China’s position on CMI was interesting. While China did not support the establishment of an Asian Monetary Fund proposed by Japan, China’s finance minister emphasized that China supported CMI not so much because China needed the swap schemes, but because ‘it would contribute to the economic and financial stability of the region’. (Financial Times 2000) According to the Asian Development Bank statistics, by the end of 2003, 16 bilateral swap agreements were signed under the framework of APT with a total amount of $36.5 billion under the CMI. By February 2009, however, a total of $120 billion is made available under the CMI scheme, 80% of which are provided by China, Japan and Korea (BBC 2009).

China also used the APT to launch its bid to establish a free trade area with ASEAN, when the Chinese Premier Zhu Rongji proposed at the 2000 APT Leaders Meeting a China-ASEAN free trade agreement (CAFTA). Ravenhill called this “a diplomatic coup that has placed other countries in East Asia, not least Japan, on the defensive.” He also noted that the Chinese initiative did prompt a Japanese response, when the Japanese Prime Ministry Koizumi offered in 2002 a new “comprehensive” economic partnership to Southeast Asian countries. The offer was in his words, however, not on a “free trade plus” basis, but “was rather a partnership minus free trade” (Ravenhill 2002, 182–3). In contrast, China moved fast to implement the CAFTA agreement by offering what was called the “Early Harvest Program.” Under the Early Harvest Program China agreed to unilaterally reduce tariffs five years before the conclusion of CAFTA on a wide range of agricultural products including livestock, meat, fish, dairy products, live plants, vegetables, fruits and nuts. In 2006, all products covered by the Early Harvest Program will have zero tariff rates. By the end of 2003, nine of the ASEAN
countries, except the Philippines (which joined later in 2006), had signed the Early Harvest Agreement with China.

It should be noted that in taking these unprecedented initiatives, China was primarily prompted by political expediency and diplomatic considerations, rather than economic calculation. The proposal to establish CAFTA was made shortly after China agreed with the USA on the terms of China entry into the WTO. It was also made at a time when Sino-American relations were in serious disarray and the “China threat” was widely propagated. The ASEAN countries, in particular, were deeply concerned about China as an economic threat, for fear that China was sucking in trade and investment at the expense of the ASEAN, particularly in the wake of the Asian financial crisis and that the competition from China would crowd out jobs and growth of the ASEAN states, impoverishing ASEAN economies or making them increasingly dependent on China. The Chinese initiative aimed at allaying such fears by encouraging and allowing the ASEAN countries to participate in and to share China’s growth (Zhang 2003). China’s quest for CAFTA is therefore complementary to its policies towards the APT. As China’s Vice Foreign Minister claimed, it is integral to China’s “peaceful rise” strategy (Wang 2004).

If indeed the center of gravity for regionalism in East Asia has already shifted away from the US-dominated APEC towards APT (Kim 2004, 51), how do we evaluate China’s role in the rapid institutionalization of the APT? One scholar observes that “China serves as the hub power and has managed to radiate a series of cooperative bilateral and mini-multilateral spokes” of the wheel of the emerging new regionalism in East Asia (Kim 2004, 52). Another argues that “one of the main reasons for Japan’s participation in the APT is to balance the influence of China in Southeast Asia” (Hund 2003, 400). Still another sees possible benefit for new regionalism from the intensive rivalry between China and Japan, “if their leadership rivalry continues to be translated into competing initiatives for moving integration forward” (Ravenhill 2002, 191). The missing piece here is the changing orientation of China’s active diplomacy in the last decade, as described above, in promoting regional political, economic and strategic cooperation through the regional multilateral framework, which has provided vital dynamics for the evolution of APT into the pivot of East Asian regionalism.

Conclusion

My discussions above have addressed questions of China’s engagement with both globalization and regionalization, which are widely acknowledged as the two most dynamic transformative processes in contemporary global political economy. They have also suggested that China’s state transformation and globalization/regionalization are dynamic and mutually constitutive processes. Even with all the hypes about China’s rise, the central role that China has played in the regionalization in East Asia is not found in its changing place in the overall power structure in the
region, nor in the great power rivalries in the Asia-Pacific. After all, it should be clear that regionalization projects discussed above would only have limited effect on the systemic power structure in East Asia. Rather, the centrality of China in East Asian regionalization lies in the first place in the unprecedented transformation of the Chinese state. If the changing purpose of the global economy is a facilitating factor for such a transformation, it has also been constantly reinforced by its outcome. The dynamics of interactions between China’s state transformation and the changing purpose of global political economy, in other words, have shaped both the process and the outcome of regionalization projects in East Asia.

To the extent that the regionalization in East Asia is path-dependent, the China dynamic outlined in this chapter sits at the core of a set of time-and-space specific imperatives has shaped, if not ultimately decided, the outcome of the regionalization in East Asia as a social process. It is also a contributing factor to the emergence of new regionalism in East Asia, which ‘represents a collective state-led response to globalization (Rosamond 2007, 16). This is not to suggest, however, that rising China has deliberately pursued a regionalization project of its own design, imagination, and purpose. On the contrary, regionalism that China has taken on board shares the same privileged condition as widely agreed, i.e. it should be able not only “to advance, but also to manage, retard, control, regulate, or mitigate market globalization” (Cooper et al. 2008, 2) To put it differently, China’s pursuit of regionalist projects in East Asia contributes to, rather than challenges, the transformation of regional order in East Asia.

This is not, of course, to deny that the imperatives to accommodate China are compelling in any institutional designs of regional projects in East Asia. This is perhaps to be seen as another dimension of the China dynamic in the regionalization in East Asia. This is indeed very much behind the idea and evolution of the EAS, a significant new turn of regionalism in East Asia. As one Japanese scholar noted in 2003, “the surge of political interest in the vision of an East Asian community suggests that the region is in search of a new order to accommodate China’s growing power and influence and to maintain regional peace and stability” (Munakata 2003). Such sentiment was echoed by the Singaporean Prime Minister Lee Hsien Loong in 2005, when he stated that “China’s rise brings tremendous opportunities to all, but also causes major changes to the status quo.” It is critical “to integrate China into the regional economy in an orderly, win-win manner” (Lee 2005). It is with this particular goal in mind that important and fruitful steps have been taken, in spite of all difficulties, conceptual, strategic and practical, towards constructing an East Asian Community (EAC) through EAS, which includes Australia, New Zealand and India in addition to 13 APT countries. If this new attempt at regional cooperation and integration reinforces, once again, the centrality of China in regionalist projects, it is also a strong demonstration that there is a widely shared belief that East Asia is an idea whose time has come.
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Introduction

China may or may not be region-building in Southeast Asia. It is certainly very active there by now. Is this a side-effect of Chinese strategies elsewhere? Is it a deliberate policy on Beijing’s part? If it is the former, what are these other strategies? If it is the latter, what is this policy and why is Beijing pursuing it?

This chapter looks at these questions from three different perspectives. One perspective sees China unequivocally as a threat. Another sees China in much more benign terms. The third sees China and Southeast Asia as negotiating their relationship as they go along. Each approach tells part of the truth. As they stand, however, they cannot be readily reconciled. This precludes a comprehensive and coherent conclusion, which is why the only one possible is: watch this space.

Historical and analytical context

Historically, China was a culture-state (Wang 1999, 64–67) centered upon itself. As such the “Middle Kingdom” (Zhongguo) impinged only marginally upon the rest of the world, including Southeast Asia (Kurlantzick 2008, 195; Kang 2007, 23–49; Roy 1998, 7). By the time the last of the imperial dynasties (the Qing) collapsed in 1911, China was a “semi-colony” under the control of a range of foreign powers (Roy 1998, 9). Since most of Southeast Asia was under the same sway this made “China” peripheral to the region too. The country was re-unified by an indigenous nationalist party though a civil war ensued with an indigenous communist one. A truce was negotiated between the Nationalists and the Communists when the Japanese invaded Manchuria in 1931 and eastern China in 1937 but the civil war resumed after the Japanese were defeated.

This was not a time for region-building. It was a time of domestic confusion and attempts at self-determination that were dedicated, from the Chinese perspective, to winning back and consolidating their independence and deciding what regime should be in control. In October 1949 the Communists led by Mao Tse-tung prevailed over the Nationalists led by Chiang Kai-shek. The latter retreated to
Taiwan thus ending a “Century of Shame” (Roy 1998, 13) but at the cost of the creation of two Chinas and a conflict that remains unresolved to this day. The Communists came to power in a state system not of their own devising and one very different from the Sino-centric world they had traditionally inhabited. The Communist response was to take the opportunity independence provided to proselytize abroad—that is, to promote “peaceful co-existence” while at the same time supporting communist insurrections (Kurlantzick 2008, 195). Mao offered China’s revolutionary example as the most relevant approach to insurgencies throughout the world. This offer included Southeast Asia but it was much more comprehensive than any one region. It involved much more than mere intervention on behalf of communist parties in Malaya, the Philippines, Indonesia, Vietnam, Burma, Thailand and Laos.

Consistent with this approach Mao saw the formation in 1967 of the Association of Southeast Asian Nations (ASEAN) as having been inspired by American imperialists. While the withdrawal of the USA from Indochina in 1975 did allow for diplomatic relations with regional regimes, China continued to maintain links with local communist insurgents. In 1974 Mao officially revised his worldview to articulate a “three worlds theory” (*sange shijie*). This depicted a first world where two superpowers competed for global dominance, a second world where industrialized countries supported one or the other of the two superpowers, and a third world where the global “rest” (including China) were exploited for the benefit of the first and second worlds (Roy 1998, 30). This was the culmination of a policy Mao had been articulating for a decade—a policy that envisaged a global countryside encircling the world’s cities and ultimately overwhelming them. This policy was cognizant of Southeast Asian but once again only in universalist terms.

In 1976 Mao died taking with him both his determination to set a revolutionary example to the rest of the world and his hard-line economic Leninism. It subsequently became possible to allow for a Chinese form of capitalist enterprise and more measured foreign initiatives. Japan, South Korea, Taiwan, Hong Kong and Singapore had all demonstrated that it was possible to engage with other parts of the global economy on a win-win rather than a win-lose basis, though the Chinese Communist Party remained wary of any erosion of its political power. Despite the collapse of the Communist Party in the Soviet Union, and indeed, of the Soviet Union itself, Beijing kept China firmly under its control. Its determination in this regard was clearly demonstrated in 1989 when peaceful attempts to mount protests in the capital were crushed.

In 1978 Deng Xiaoping took the first formal initiatives to unlock China’s productive potential. Centralized state plans began to be superseded by private incentives and the restoration of forms of private property. Economic links began to be established with countries in the region and elsewhere and Special Economic Zones were created to open up coastal cities to foreign investors. The liberal elements in the Communist party began to make it possible for local entrepreneurs to establish Chinese markets and for foreign businesses to augment their profits
using China’s huge, low cost and strictly regimented workforce. The Chinese economy began to expand. Indeed, the rapidity with which it did so was a feature of the twentieth century global political economy.

Chinese exports began to appear in growing amounts around the world. In the quarter century from 1978 to 2003, for example, China’s growth rate averaged nearly 10% a year, in the process lifting one third of its population out of absolute poverty (Kang 2007, 12). China’s total trade in 2003 was ninety times what it had been in 1978. From 1990 to 2003, exports from China to ASEAN alone increased eightfold, that is, from less than $10 billion per year to nearly $80 billion (Solingen 2008, 22). This increase varied from country to country, but by 2003 trade between ASEAN and China was equivalent to that between Japan, the EU, or the USA and China. By 2003 ASEAN had also ceased to be a source of raw materials only and had become a region where China traded in complementary products (Chirathivat 2008, 41–43).

China began looking to win regional economic friends and to influence regional political leaders in ways that Mao would never had contemplated or countenanced (Kurlantzick 2008, 195). By the end of the twentieth century it was clear that China wanted to engage with Southeast Asia as a whole and was prepared to promote the kind of policies that would make this possible (Hu et al. 2000).

Whatever we make of China’s ultimate intentions in this regard, Chinese region-building was a mixture of *regionalization* or “spontaneous integration” and *regionalism* or “government-driven … community building” (Frost 2008, 14). In other words, it was a combination of opportunistic initiatives by private individuals who wanted to bring Southeast Asia together using globalizing technologies and deliberate policy initiatives by Chinese officials who wanted to establish such an outcome for “reasons of state” (Frost 2008, 15). As China engaged more with the region, both officially and commercially, it helped build that region, both conceptually and in practice. In short, “once China realized the advantages of multilateralism, it became active in organizing it” (Wang and Zheng 2008, 13).

As to the vexed question of intentions, some analysts and policymakers remain deeply suspicious about what the above story infers. For example, they see China as trying to use Southeast Asia’s own region-making efforts, which by the end of the twentieth century were of relatively long standing, to augment China’s own economic and strategic interests. They see China as piggy-backing upon the cooperative efforts of Southeast Asian states in ways that will (either overtly or covertly) prove to be expansionist and neo-imperial (Percival 2007, 2).

Other analysts and policymakers take the opposite approach. They see China’s region-building strategy in Southeast Asia as being basically benign. Commentators who hold this point view see the Southeast Asian region offering China a relationship of accommodation, with the result being bandwagoning rather than balance-of-power behavior. At the same time they see China as bringing its region-making intentions into line with those of Southeast Asia to a mutually beneficial purpose (Kang 2007, 4).
Still others interpret China’s region-building strategy as being neither threatening nor benign, rather, they see it as needing to be read in interactive terms. Despite fears that Beijing might use Southeast Asia’s efforts to build regional links to serve its own security and economic interests, for example, they see China re-emerging as a different kind of a hegemonic power, that is, one quite capable (as China had been for much of its history) of using its regional power to a status quo rather than a revisionist purpose (Callahan 2008, 749–761). The majority of commentators who chose to highlight the interactivist approach see the likelihood of Chinese expansionism as relatively low (Kang 2007, 5). There are interactivist/optimists who envisage China becoming socialized into some kind of Asian mind-set where regional states respect each other’s sovereignty and commit themselves to dealing with their conflicts consensually, though even they have to admit that there are likely to be limits to such socialization, limits set by China’s instrumentalism, its sense of sovereignty and its unwillingness to comply with non-tariff barriers like intellectual property laws (Wang 2000, 80–81).

There are also interactivist/pessimists who are preoccupied with the risk Southeast Asian nations run of getting caught up in a calculated attempt by the Chinese to win regional dominance by stealth (Goh 2007/2008; Ba 2008). Most interactivist analyses, however, interpret such an approach as irreducible to the optimism/pessimism dichotomy, since such a bifurcation is not integral to the likelihood of Chinese expansionism. This is in part because of contemporary Chinese notions of global harmony or tianxia (Callahan 2008), though it is also due to credit being given to the region for a capacity to think collectively for itself (Feng 2007). This does not necessarily counter the conclusion that China’s region-building strategy is at best “‘integration diplomacy’ [and as such no] more than an opportunity to win friends, reduce US influence, and overshadow Japan” (Frost 2008, 4). Nor does it necessarily allay the sense that China merely wants a stable external environment in order to allow it to concentrate on the radical changes taking place internally (Percival 2007, 2). It does, however, provide an alternative to the usual categories applied to Chinese region-building as well as to the policy spectrum that these categories define. It provides an approach where neither pessimism nor optimism need obtain.

What follows will look at these three different perspectives—namely, the pessimist, the optimist, and the interactivist ones. These seem to be the main ways in which a Chinese region-building strategy in Southeast Asia might be described and explained. The final section will summarize what China might be building and why.

China’s region-building strategy in Southeast Asia as a threat

The most pessimistic conclusion apropos China’s region-building strategy in Southeast Asia is that China is up to no good. Pessimists are most likely to frame this strategy in terms of a “China threat” to the region, regardless of Beijing’s
rhetoric to the contrary. The assumption behind this conclusion is the realist notion that international relations are a dog-eat-dog affair. It is the belief that a rising China can only incur a strategic challenge to the state system that surrounds it. In this respect, the belief is that the response to this challenge can only be one designed to balance what can only disturb the status quo. From this perspective, precedents like those set by Germany in the early twentieth century or Japan in the late-nineteenth century suggest that the regional outcome of China’s rise will provoke revisionist violence rather than a sustained attempt to accept as legitimate the changes China will inevitably want to introduce to the region.

Pessimists look for empirical data that supports this perspective. They note, for example, that Southeast Asia is not as capable of containing China. They note that the region is composed of an array of countries that do not represent a united front and that most of them have to struggle to retain their national integrity, and that all of them are highly vulnerable to the unpredictable currents of the global economic system. They note that this makes Southeast Asia’s capacity to contain China’s rise a strictly limited one. They also note that the region’s weakness in this regard reinforces balance-of-power behavior (Suh et al. 2004, 190).

Meanwhile the pessimists point out that China grows apace as a regional military and economic power. In strategic terms it also remains an authoritarian regime which means that its foreign policy-making remains highly opaque. China’s relationships with Japan or Taiwan, for example, change regularly from ones that are relatively pacific to ones that are relatively antagonistic. Southeast Asian states are not able to predict what Chinese policy-makers will do or when. Additionally, there is the issue of the speed with which Chinese exports have begun to crowd out regional ones competing with Southeast Asian states in other markets and drawing foreign direct investment funds away from regional enterprises (Chirathivat 2004, 364; 2008, 41). When Southeast Asian strategists add in factors like the inequality between China’s rural hinterland and its burgeoning cities, plus China’s determination to secure access to the energy and raw materials that its economy requires and the way this may well prove to be at the expense of what Southeast Asian economies require, and those who control the latter would seem to have every reason to be afraid (Herberg 2008).

In 1999, however, China signed the Southeast Asia Nuclear Weapon Free Zone Treaty. The following year it mooted the idea of an ASEAN-China free trade association and in 2001 it joined the World Trade Organization. In 2002 it signed a Joint Declaration on Non-Traditional Security Issues to help deal with issues like the Severe Acute Respiratory Syndrome (SARS) epidemic and that same year it also signed a Joint Declaration with ASEAN on a Strategic Partnership for Peace and Prosperity, a declaration that required it to respect the sovereign equality of all the signatories. At the same time it acceded to a Treaty of Amity and Cooperation, a treaty that committed it to resolving land disputes with Laos and Vietnam and maritime disputes with countries bordering the South China Sea. Since the latter involved shipping lanes and potential oil, gas and fishing supplies, it was considered particularly significant (Kurlantzick 2008, 197). In 2004 China
signed an ASEAN-China Comprehensive Economic Cooperation Agreement that was designed to create a free trade zone (ACFTA) by removing all tariffs by 2015. This was seen as providing tangible evidence of the importance China placed upon Southeast Asia, particularly since the resulting arrangement had the potential to rival the EU or NAFTA.

At the same time experienced observers of China’s military affairs concluded that there seemed to be “significant deficiencies” in the current capacity of the People’s Liberation Army (PLA) to project its conventional forces “much beyond China’s territorial and maritime borders”. It was also said that “[w]hether Beijing will ultimately conclude that China’s reliance on imported energy requires it to gain access to foreign port facilities and build a navy of sufficient size and capability to sustain a presence from the Persian Gulf to the East China Sea remains an open question” (Godwin 2008, 156–158).

Policy initiatives and empirical observations like these seem to run counter to what realists contend. They suggest that China is determined, in practice, to reassure Southeast Asian nations that its region-building strategy is a peaceful one (Gill 2007, 29–37, 63–73, 96–97). They suggest that China seeks to allay the anxieties that could stimulate a regional arms build-up (Chambers 2008, 171). They suggest that Chinese military power is “more imagined than real” (Loo 2008, 197) and that “fear” is not the most appropriate emotion to feel (Kang 2007, 10).

Pessimists see all such reassurances as superficial. They see China as doing no more than mounting a “‘charm offensive’.” They consider its current willingness to take part in multilateral institutions—a willingness it earlier eschewed as constraining its sovereign power—as a ruse. They say that Chinese policies are deliberately designed to isolate Taiwan and to lull the Southeast Asia region, along with the rest of the world, into a sense of security that is profoundly false (Solingen 2008, 29).

For example, they call what China has to say in the White Papers on strategy that it publishes biennially (for the last decade) pure party propaganda. They simply do not believe them. In these papers the Chinese measure themselves against the regional capacity of the USA and conclude that China needs to modernize its naval, air, and missile forces. The most recent of these papers talks of a “small number of countries [that] have stirred up a racket about a ‘China threat’ [even though] China persists in continuing its peaceful development road.” It says that China is pursuing a strategic policy which is “purely defensive.” It points with pride to the Shanghai Cooperation Organization, for example, which was founded in 2001 to deal with terrorism, separatism, extremism and drug trafficking, and it highlights the importance China places on the ASEAN Regional Forum (ARF) (Information Office of the State Council 2006). According to the Chinese, this evidences that Beijing’s intentions are not those that the pessimists believe them to be.

The pessimists, however, continue to look behind China’s protestations of non-aggression to find the same preparations for international violence they expect of any up-and-coming global power. They emphasize that Southeast Asia is not capable of countering such preparations since it does not have the ability to
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develop into a “defense community.” ASEAN, they say, is “not a military pact or security community” (Loo 2008, 192). Its states are too small to balance China (Kang 2007, 9), which leaves China able to turn its military power upon the region at any time.

In economic terms pessimists see a downturn in the Chinese economy, like the ones that occurred in 1997 and 2008, as resulting in less spending by China on imports and less of a demand for Southeast Asian exports. They interpret this as a fitting outcome to the region’s willingness to allow growing dependence upon China in terms of trade and investment. The effect is furthermore perceived as well deserved due to the predilection by regional leaders to see China as an alternative model of development—that is, as a model that allows for economic growth at the same time as it allows for control of the political system.

Pessimists cannot deny that China was careful not to take advantage of the 1997 crisis. China at that time refused to devalue its currency and also provided standby loans as export credits and as foreign exchange assistance to countries like Thailand. Southeast Asian nations, faced with financial censure by the IMF considered such support “laudable” (Kang 2007, 131). Pessimists read this policy as a strategic move by China, which has paid a carefully pitched price to prevent Southeast Asians from seeing it as the “elephant in the room.” Despite China’s strategy of reassurance pessimists remain deeply suspicious and they counsel caution in every aspect of relations with Beijing. They see the Chinese diaspora in Southeast Asia, for example, as a potential fifth column, even though Thailand or Indonesia no longer highlight the Chinese component to their populations in an adverse way. Pessimists think that both would do so again if they felt the need to find a scapegoat for faltering financial success.

In terms of China’s “soft diplomacy” pessimists make the same point about the region being lulled into a false sense of security as they do above, even though the concept itself is not a well-defined one (Percival 2007, 111–122). Analysts report how diplomats say that “in the past three years consensus at ASEAN meetings has been delayed as member nations analyze how Beijing will react to any decision” (Kurlantzick 2008, 205). This suggests growing influence on China’s part and from a pessimist’s perspective, any influence is undue influence. Despite promises of noninterference, China is becoming a great power and like any other great power it will want to satisfy its “own interests first” (Kurlantzick 2008, 206).

Pessimists also point out that China has “never solved the problem of the peaceful transfer of power” (Frost 2008, 227). Without such a solution it must remain a regional wildcard and this applies to its region-building strategy as well. In sum, then, it is naïve from a pessimist’s perspective to see China’s growing wealth as an indication that it will never engage in the future in a regional war (Frost 2008, 246). For a pessimist, peace can only ever be a lull between wars.

This applies to China as much as it does to any other sovereign state. For a pessimist this is the key consequence of having an ungoverned system of states where self-help is the operating principle and where constant vigilance and eternal suspicion prevail. China’s regional intentions are unknown and unknowable. It
is not unreasonable to suggest that they include the stabilization of its southern borders, access to Southeast Asia’s investment funds, markets and resources, the marginalization of Taiwan and the augmentation of its own power in order to preempt any attempt to “contain” it (Percival 2007, 3–5). However, the point to note from a pessimist’s perspective is that all of these intentions can and will provide ample opportunity for competition. They can and do provide the potential for self-aggrandizement (Khoo and Smith 2005).

China’s Region-building strategy in Southeast Asia as a promise

Pessimistic realists are not the only ones to offer an analysis of China’s region-building strategy. There are, for example, those who are much more optimistic about what this strategy implies and much more likely to view this strategy as a benign opportunity rather than a malevolent threat. Optimists not only articulate different assumptions, that is, hail-fellow-well-met ones, they also tend to be globalists. As such they point to the same evidence in different ways and to different kinds of evidence. Optimistic globalists look at the last ten years, for example, and think that the Chinese have “not done anything wrong in Southeast Asia”, while the “Japanese have not done anything right, and the US has been indifferent” (Kang 2007, 127). They look at how the Chinese have come to terms with ASEAN and they see them as entering a new phase in their bid to pursue a peaceful approach to world affairs.

Where pessimists see a “hedging strategy”, with China offering détente while modernizing its military (Sutter 2005, 273; Percival 2007, 21–30), optimists see the Chinese as adjusting to ASEAN’s values and making an honest attempt to effect a transformation from a revolutionary to a status quo power (Qin 2005, 35). Indeed, they perceive China as the external state that is now the “most supportive” of the “current political status quo” in Southeast Asia. In the process they interpret Beijing as having “repeatedly advanced new proposals to bind Southeast Asia to China”. While some of these proposals are “filled with platitudes”, others are “substantive” (Percival 2007, 9). They are seen to suggest a real change in how China behaves (Keller and Rawski 2007) Realists in Washington call this “eating America’s lunch in Southeast Asia.” Optimists call it China joining America, Japan and India at the “head table for countries external to the region” and eating “sushi, not steak” (Percival 2007, 19).

In short, optimists see pessimists as failing to explain the change in the Chinese approach or the Southeast Asian response. China has not sought to undermine ASEAN or its alliance with the USA. ASEAN, meanwhile, has not sought to match China’s strength or to strengthen its alliance with the only country that could match Chinese power—namely, the USA. Instead, China has managed to arise while reducing regional perceptions of the threat it represents to ASEAN states. Its regional diplomacy has helped to reinforce this reduction, with Beijing sending signals that analysts generally agree are “less pompous… more pragmatic… [more
in favor of] economic diplomacy… [more conducive of] international integration… and… [more supportive of] the struggle for multi-polarity” than at any time in the post-World War II period. More than “benign” China is now seen as “responsible” as it replaces its pursuit of ideological purity with a seemingly conscious desire to further economic development (Cheow 2007, 320). This has left ASEAN free to establish an ASEAN “way”—that is, a set of norms that highlights “security cooperation… noninterference in domestic issues, respect for sovereignty, and nonconfrontational dialogue building” (Kang 2007, 128).

In 2001 ASEAN and China agreed to concentrate on five priority areas. These were agriculture, information and communications technology, human resource development, the development of the Mekong Basin development, and mutual investment (Lijun 2007, 298). The focus of these priorities was clearly on development. The development of the Mekong Basin is a particularly telling test of China’s willingness to engineer regional relationships that are “non-threatening and mutually beneficial” (Goh 2007, 55). China dominates the headwaters of the Mekong and plans to build a “cascade” of eight dams on its part of the river. This has important implications for all the countries downstream, including their irrigation projects, transport industries, fishing industries and access to fresh water supplies. The cost of electricity in Laos, for instance, will be directly affected by the building of Chinese hydroelectric plants (Goh 2007, 10). Whether the outcome of the development process adds to China’s reputation as a benign regional presence will depend on how it negotiates with the neighbors concerned. To date, China has used a great deal of “attractive rhetoric” but it has not yet endorsed the “sustainable development regime” that the Mekong states already support. The issue is made more complex by the extent to which the Southeast Asian states involved have so far failed to coordinate their own interests very effectively or resolve their own disagreements in this regard. China has the power to use trade and investment to compensate for the effects of its upstream activities but how far it will use this power is yet to be seen (Goh 2007, 55–56).

This said, skeptics indicate that it is easy to overestimate China’s influence. Though a great deal has occurred over the last decade, it started from a relatively low base and compared to ASEAN’s relations with the USA and Japan, China’s influence is still some way from tipping any regional balance (Sheng 2007, 301). This assessment is supported by a consideration of the size of China’s regional investments. In 2004, for example, these were not much more than one quarter of one percent of the total in the region. By contrast China’s investments in the EU were nearly thirty percent of the total (Sheng 2007, 301). Chinese economic aid to ASEAN countries was also relatively small, with aid from Japan and the USA looming much larger. Even in trade terms, where growth seems to have been the most significant, the devil is said to be in the details (Sheng 2007, 302). For example, large Chinese companies do not treat ASEAN as their main market yet, nor do they treat its component states as key trading partners. As Sheng points out, a “sound China-ASEAN economic relationship in future will depend on how fast China can… trim down its foreign trade competition with ASEAN economies
and how much more the Chinese market can take in ASEAN’s own products” (Sheng 2007, 305). Likewise, Cheow concedes that “with the less-developed ASEAN economies, it appears that China’s trade strategy is to facilitate a quick development … especially of Indochina, so as to promote social and economic stability in China’s ‘southern periphery’” (Cheow 2007, 332).

From the optimists’ perspective, skeptical observations like these still fail to do justice to the extent to which China is crafting a new image for itself in Southeast Asia. Which is why they highlight low cost Chinese products, like toys or mobile phones, and their growing availability throughout the region, as well as the growing acceptance of Chinese popular culture, like the admission of Chinese ancestry as a “golden bridge” to the mainland (Suryadinata 2005, 180) or government-sponsored Chinese-language education programs (Cheow 2007, 323) and their growing prominence, too. Optimists are also more inclined to accept the official Chinese concept (first proclaimed at the end of 2005) of “peaceful development” as opposed to a “peaceful rise” as being the most appropriate way to describe its current ambitions in Southeast Asia (Ravenhill 2007).

Such an image, pessimists respond at once, is nothing more than China seeking to “use power softly” to contain American containment. It is simply balance of power behavior. Optimists are inclined to take into account the movement of students, tourists and regional migrants, however, and to find more in what is taking place than this (Pookong 2002, 176). Some are even inclined to see China acting in accordance with the historic system of tribute whereby the Chinese received regional respect in return for substantive favors like trade privileges (Cheow 2007, 327). According to the historical record, what we see at the moment is the fourth time that China has arisen. As a consequence it is said that “the memory of China’s… power” is “not far from the surface of regional consciousness” (Wang 2004, 83). Optimists who make this point like to highlight the cultural component to the benign image that China projects, a component that has deep roots in the classical writings that Chinese leaders are well versed in and one that is arguably starting to resurface in foreign policies that articulate traditional values (Wang 2000; Pettman 2005; Chan 2008).

Talking in 2002 about the future of Asia-Pacific regionalism Amitav Acharya (2003, 328) said: “What a difference a decade makes!” If we consider the fact that China is currently educating “more engineers each year than the rest of the world combined” (Keller and Rawski 2007) we may want to conclude that Acharya’s conclusion will obtain as much in 2012 as it did to 2002. We may also want to conclude that a similar conclusion will obtain for China’s region-building activities in Southeast Asia.

While pessimists see difference as boding ill and optimists are more sanguine, there are constants, however. There is, for example, the “grand but unspoken bargain” between the Communist Party and the Chinese public. If the party delivers “economic growth” and promotes China’s “global standing” it will get “public acquiescence to its autocratic rule and anachronistic ideology” (Keller and Rawski 2007, 194). A downturn in growth, however, would likely constitute a
failure by the CCP to keep its end of this bargain. The results of that failure could be monumental though what form these results would take and how effectively party politicians might contain any subsequent unrest is unclear.

China’s region-building strategy in Southeast Asia as interactive

An interactive strategy is a negotiated strategy, calculated so that what obtains is a shared responsibility (Johnston 2003) The partners in such an interaction assume a tit-for-tat approach to world affairs, that is, they “tango together but watch each other’s steps” (Sheng 2007, 311). The result is a form of liberal internationalism.

In terms of the relationship between China and Southeast Asia the concept of an interactivist strategy is meant to highlight the extent to which China’s region-building has to be seen in the context of Southeast Asia’s own determination to eschew the “simple dichotomy of balancing versus bandwagoning” as well as in the context of Southeast Asia’s own determination to “shape the new regional order” itself. From this perspective, Southeast Asia does not stand by and watch the regional order being shaped by the Chinese or, for that matter, by the Americans (Goh 2007/2008). From this perspective Southeast Asia helps craft the regional order despite the disparities in economic and strategic power that prevail there. From this perspective, Southeast Asia also builds up multilateral institutions so that they serve not only Chinese interests. It accommodates the Chinese in ways that do not merely balance them off or align with their interests. From this perspective, in other words, the key states in Southeast Asia play a considerably more significant role than many observers acknowledge (Goh 2007/2008).

The region’s determination in this respect is evident in the history of the relations between Southeast Asian states and China and particularly those relations that have involved conflict. Indonesia, the Philippines and Vietnam, for example, show no evidence of seeking to meet China’s rise by attempting to match it with corresponding power, whether on their own part or that of strategically-chosen allies, despite conflicts with China in the relatively recent past. What they are doing is trying to involve all major powers in the region’s affairs and seeking to maintain US-hegemony thus preventing the region from being incorporated into a growing Chinese sphere of influence or being obliged to join China’s wagon train as it rolls on towards great power status (Goh 2007/2008).

The attempt to involve all major powers in regional affairs is exemplified by the ARF. This includes foreign ministers from China, India, Japan, Russia, the United States and the European Union and provides for an annual security dialogue on matters of mutual concern. The balancing behavior that the ARF represents is “indirect”. It is also “complex”, since it involves nonmilitary processes as well as regional norms that can prompt potentially adversary states to re-think their intentions (Goh 2007/2008, 139–148). “Indirect” and “complex” does not mean ineffective, however.
The attempt to involve major power is also exemplified by “ASEAN+3.” Here ASEAN joins together with China, Japan and South Korea to foster financial cooperation (Goh 2007/2008). In addition, individual state initiatives complement regional ones to more and less defensive purposes. How defensive depends on each particular state’s historical experiences. Those who promote an interactivist perspective are also apt to argue that if we are not to “get Asia wrong” we may need “new analytical frameworks” (Kang 2003, 57). Such arguments are not without their critics (Acharya 2003/2004; Jones and Smith 2007), however, the pessimistic anticipation of a period of realist politicking in the region did not come to pass in the post-Cold War period and this does have to be explained. There has been no major conflict in the region for thirty years. Pessimists say such a lull cannot last and we need only wait. Optimists see no reason why we should not expect such a lull to last as long as the region’s elites want it to, since they have already demonstrated a capacity to opt for hail-fellow-well-met strategies that confer stability. Those who look for new analytical frameworks, however, look beyond the optimist/pessimist dichotomy to non-Euro-American accounts of regional relationships. They see Euro-American perspectives as being ripe for reassessment.

In looking for new analytical frameworks analysts those who do so are commonly accused of neo-orientalist essentializing. This is because they tend to do more than eschew Western-style eclecticism, that is, the kind of approach that offers a “touch of realism, a dash of constructivism, and a pinch of liberalism” (Kang 2003, 59). Kang talks, for example, of “formal hierarchy”, “informal equality”, and the maintenance of peace instead. He contrasts this sharply with Western international relations where there is “formal equality between nation-states, informal hierarchy, and near-constant interstate conflict” (Kang 2003, 67).

In support of such an alternative, it is important to note that many Asian nations have been sovereign states for far longer than their European counterparts (Kang 2003/2004, 174). It is also important to note that Southeast Asia is one of those areas of the world where several civilizations have long overlapped (Wang and Zhen 2008). As a consequence Southeast Asian countries have highly complex relations, not only with the imperial regimes that recently ruled them but with each other. Not surprisingly, also, Southeast Asian states view the world in their own way. They often choose not to subscribe to the analytic approaches common in the Euro-American part of the world, despite the globalization of these approaches and a world state system that is currently made in the Euro-America image. This perspective is further supported by those who see ASEAN states deliberately attempting to “entangle the dragon” in both strategic and economic terms and by those who see China as deciding pragmatically to be more cooperative. It is supported as well by those who consider a long term feature of China’s regional record as being one where interstate coercion does not prevail. In the tango between China and the region “[w]ho leads the way?” has to be seen initially in terms of the end of the Cold War, Beijing’s concerns about military containment, and regional hedging (Sheng 2008, 261). It does not have to end there, though.
As Shambaugh argues, no overarching analysis is ultimately able to account for the complexities of what is currently occurring and will likely occur (Shambaugh 2004/2005). This leaves us with what we find on the ground, namely, considerable ambiguity (Johnston 2003), China’s negative experience of a century of foreign occupation, and an explicit desire not to visit such ignominy upon other states.

**Conclusion**

China’s region-building strategy in Southeast Asia began in earnest at the end of the twentieth century. It seems to have been part of a conscious recognition on Beijing’s part that international engagement was a superior policy alternative to international autonomy and a deliberate attempt to recast its national image. This seems to have been driven in turn by changes in regime and a realization that the domestic advantages to be gained from participating in the global political economy outweighed the costs.

China’s regional objectives have changed radically since it gained independence in 1949. Originally these were revolutionary ones. They can now be seen as seeking to establish a Chinese alternative to the Euro-American world order. Western cynicism with regard to a foreign policy capable of subscribing to Confucian or Taoist notions of harmony, or regionalist notions of a framework marked by formal hierarchy and informal inequality, should not be used to dismiss such notions out of hand. Chinese civilization has been sustained longer than any other on earth. The continuing power of its cultural heritage cannot be underestimated.

Southeast Asian states participate in Chinese region-building strategies because they see it as being in their interests to do so. There is also the sense that China is the natural power in the region and that acknowledging this fact does not represent any great threat. The regional roles that Japan and the United States play remain unresolved but Southeast Asian states seem to assume that they can be accommodated as well. Indeed, many of these states want to keep all the great powers involved in the region so that they can benefit from what they all have to offer.

It is too early yet to tell how much China’s region-building initiatives will contribute to a regional “community of practice”. Regional states have not changed their identities to meet China’s regional expectations and the new norms and expectations emerging there are Southeast Asian ones rather than Chinese ones. So far China is accommodating itself to Southeast Asian norms rather than the other way around though this is expedited by China resorting to traditional modes of foreign policy thinking which see Southeast Asia in subordinate terms.

The future depends in no small part on China’s capacity to hold itself together. Its capacity to lead the region would be much diminished if it became preoccupied with internal conflicts induced by rising expectations and an unsustainable gap between its countryside and its cities. The relations that China develops with India, the United States and Russia will also have much to do with setting the context for
regional stability. Pessimists, optimists and interactivists differ sharply as to what can be expected in this regard. Perhaps, as Acharya infers, we would do best to expect the unexpected.
Introduction

During the last two decades there has been an increasing focus on multilateralism in Chinese foreign and security policy (Lanteigne 2005; Moor 2007). This marks a significant change in mindset (Pan 2008). An integral part of China’s embrace of multilateralism has been the “increasing involvement in global and regional multilateral organizations,” particularly within Asia (Wu and Lansdowne 2007, 3). China’s initial foray into multilateral institutional arrangements was participating in the ASEAN Regional Forum (ARF) and the “ASEAN+3” mechanism. This experience emboldened and reaffirmed Beijing’s interest in active participation in multilateral regional arrangements as a framework for the creation of regional landscapes favorable to its interests (Yahuda 2007). This method has been further developed in China’s approach to the region of the post-Soviet Central Asian Republics, via the Shanghai Cooperation Organization (SCO).

The collapse of the Soviet Union in 1991, created fifteen independent nation-states, including five in Central Asia. As a result, China’s western flank was radically transformed. China shares land borders with three of the five Central Asian republics, and since their independence Beijing has been engaging these states and building its influence in the region (Pan 2008; Marketos 2009). It is not unsurprising that Beijing has sought to increase its stake in the region, but what is extremely interesting is the strategy chosen to this end. Alongside bilateral relationships, China has invested significant political will and energy into the development of a multilateral regional organization that brings together four of the five Central Asian Republics and Russia. This represents the first regional organization of which China is the founding member and a significant driving force behind its progression (Clarke 2009). In this way, the SCO is “an essential test case for measuring current Chinese approaches to international-level security institutions” (Lanteigne 2005, 116). This chapter argues that Beijing’s regionalization of Central Asia through SCO is also important to China’s broader approach on regionalism as a foreign policy practice.
Chinese interests in Central Asia

The arrival of three new sovereign nation-states on its border created a whole raft of new considerations for Beijing. Even before the collapse of the Soviet Union, China had begun to shift the focus of its foreign policy from an overwhelmingly inward to an outward looking perspective. An important aspect of this process is the active promotion of the “good neighbor policy,” which is designed to ensure favorable external relations with all the nation-states along China’s vast periphery (Wu and Lansdowne 2007). As a result, the development of positive relations with the neighboring post-Soviet states was a high priority. Initially, the focus was on negotiating the demarcation of new borders, some of which were historically disputed. To aid this process, the Shanghai mechanism was created between Kazakhstan, Kyrgyzstan, Tajikistan, and China, with the participation of Russia. This was the base from which the SCO would be born. Once the border issues were resolved, China’s leadership quickly identified a number of new opportunities but also threats from these new states.

The newly independent nation-states of Central Asia provided a unique set of security challenges for China. To begin with, they presented Beijing with a number of weak states right on the border of the volatile Xinjiang province, whose Uighur population has long sought independence from Beijing. The presence of Uighur groups and sympathizers operating freely in the Central Asian republics has been a cause for concern in Beijing and is a very strong motivating factor behind China’s promotion of the SCO mechanism (DeHaas 2007b, 32). Indeed, Marketos (2009, 12) argues that “the SCO can be seen to have its origins in China’s ‘Xinjiang problem’.”

As well as creating new security challenges, the collapse of the Soviet Union also presented new opportunities for economic trade and cooperation with a region, which China had little contact with. Matusov neatly summarizes the main economic interests of China in Central Asia as “seeking raw materials for its manufacturing sector as well as markets for its consumer products” (Matusov 2007, 84). As a result, the attraction of the SCO for China is obvious because “the Central Asian republics and Russia are rich in natural resources and pose as potential markets for Chinese goods” (Matusov 2007, 84). During the 1990s, Beijing was primarily occupied with developing security relations with Central Asia, but in the last decade has been placing greater emphasis on establishing economic links with the region. Indeed, “China’s energy diplomacy towards Central Asia has enabled it to gain a strong foothold in the region over the past decade, and Central Asia is today one of the most dynamic locations for Chinese oil companies operating abroad” (Liao 2006, 61).

Alongside these dynamics, an important aspect of Chinese foreign policy in the last decade has been the development of a normative agenda and the utilization of techniques of “soft power” to spread its influence (Cabestan 2008, 206). Kurlantzick argues that for the Chinese leadership, soft power refers to its “ability to influence by persuasion rather than coercion”, which is pursued by “various
means, including culture, diplomacy, participation in multinational organizations, businesses’ actions abroad, and the gravitational pull of a nation’s economic strength” (Kurlantzick 2007). Indeed, such strategies and tools are evident in Beijing’s approach to Central Asia via the SCO. The main aim of this approach is to “make it easier for Chinese actors, from language schools to business people, to have an effect on the ground” (Kurlantzick 2006, 1). SCO has been used by the Chinese leadership to facilitate greater exchange between the peoples of Central Asia and China. A recent initiative to this end is the China/SCO scholarship scheme.

At the same time, Beijing has noted a growth in the perceived value of normative influence in the international system. As a result, its foreign policy has tended to contain an increasingly normative and deliberately non-intrusive approach. As Cabestan (2008, 206) argues China often tends “to make good use of the EU’s soft power, as opposed to the US’s hard power.” As an emerging superpower, China is determined that as a leading player it should impact upon the prevailing norms of behavior that constitute the international system. Wang (2007, 119) argues that “China firmly believes that the new reality of world politics requires some norms and principles” and China “is determined to have a say in formulating these.” As part of this recasting of the normative landscape, the SCO model has been vital. Beijing has often touted the SCO as a model of “new interstate relations,” a “new security concept,” and a “new model of regional cooperation.”

The SCO is seen by Beijing as the main tool in realizing its security, economic and normative agenda in Central Asia. From the perspective of the Chinese leadership the SCO is in some respects an attempt to socialize the region’s states into accepting Chinese norms by developing a community of practice. In this way, China is attempting to fashion a cooperative environment in Central Asia on the basis of what Beijing conceives as its main foreign policy beliefs and practices, whereby the Central Asian states and Russia will come to regard these beliefs and practices as their own (Schimmelfennig 2000, 12). Therefore, China hopes that SCO can serve as “a mechanism through which social learning may occur, thus leading to interest redefinition and identity change” (Checkel 1999, 552). A major objective of the social interaction through SCO is to overcome the existing skepticism about China in the region.

To this end, the SCO is designed to foster greater interdependence and understanding between its members through the development of a community of practice, whereby the member-states are “informally as well as contextually bound by a shared interest in learning and applying a common practice” (Snyder 1997). As China’s first multilateral organization, the SCO represents an illuminating case of how China seeks to influence the “intersubjective social structures that constitute the normative and epistemic ground for action” in Central Asia (Adler 2008). In other words, the claim here is that China’s regionalization of the region impacts the perceptions of the SCO member-states. At the same time, SCO is also relevant for assessing whether Beijing’s interests can be effectively represented
within a multi-lateral organization and whether it is in their advantage to play a leading role in such a mechanism.

The development of SCO

SCO’s membership stretches from the Baltic Sea to the Pacific Ocean. Indeed, in recent years the perceived progression of the SCO has also attracted the attention of states in adjacent regions. Currently, only India, Pakistan, Iran, and Mongolia are official observer-members of the SCO.

As noted the SCO grew out of the Shanghai mechanism for the settlement of border issues. Therefore, initially this framework had very limited ambitions. However as cooperation within this framework grew, the scope of its agenda expanded—firstly, into the Shanghai Five, and in 2001 into SCO. The remit of SCO now covers the security, economic, cultural, and humanitarian collaboration between its members. In addition, SCO has developed an institutional structure, which at present includes seven bodies and contains “an internal mechanism which organizes regular meetings for member states”, which plays an “integral part of discussions and policy-making within the SCO” (Zhao 2006, 110).

There are two primary and mutually reinforcing reasons why SCO has developed so rapidly in the last five years: a focus on regime security and its model of regional cooperation (Aris 2009).

The fight against the “three evils”

In Central Asia there are a variety of sub-state level security dynamics, which are often linked to challenging the existing regimes (Allison 2004; Allison and Jonson 2001; Aris 2009; Buzan and Wæver 2003). The SCO has singled out what it considers to be the most threatening of these—terrorism, extremism, and separatism—labeling them the “three evil forces.” Thus, SCO appeals as a vehicle to address these regional issues, by providing a mechanism for a coordinated Central Asian approach. This incorporates the core security consideration of the Central Asian leaders—the security of their regimes (Allison 2008, 185). It is also consistent with both Chinese concerns about separatist movements in Xinjiang and Russia’s related concerns with regard its North Caucasus region and the interrelationship of these regions to the security of Central Asia.

China and its Central Asian neighbors have thus collaborated to target Uighur activists within their territories (Swanström 2005, 573). In this way, “within the SCO, China can be secure in the assurance that its fellow members will not only accept each others’ characterizations of their various dissidents, but engage in practical national and multinational efforts to suppress such elements and keep all borders closed against them” (Bailes and Dunay 2007, 14). In return the Central Asian republics have been able to rely on China and Russia to support their most repressive internal security strategies. Thus, the SCO provides “a basis for
political solidarity between state leaders and their protection against or resistance to a perceived interventionist agenda of democracy-promotion by Western states, international organizations and donor agencies” (Allison 2008, 188).

Model of cooperation

In addition to its capacity to tackle the primary security concerns of Central Asian regimes, the development of SCO is also attributable to its institutional design. The majority of leaders in the region are reticent to participate in multilateral undertakings, which they perceive as challenging their capacity to control their domestic affairs. Therefore, the SCO model for regional cooperation enshrines a strong control of the national leaderships over the shape and direction of the organization in order to assuage their concerns that a regional actor may diminish their sovereign control over their domestic affairs. The basic infrastructural development of SCO was completed in 2004 with the establishment of a permanent secretariat on top of the existing regular mechanisms of contact between the governments of individual states (Zhao 2006, 110). However the addition of these organs does not represent any significant devolution of sovereignty from the member-states—cooperation remains strictly inter-governmental. SCO’s permanent bodies are reliant on state resources, and are largely restricted in their mandate to the implementation of decisions and policy developed by the annual summit of the Council of Heads of State.

SCO’ model of cooperation is driven by a loose normative framework rather than a legally codified one. In this way, SCO is not designed to ensure integration but to provide a mechanism of coordination and communication. This is a crucial feature of China’s regionalization of Central Asia. SCO does not have provisions for ensuring its decisions and recommendations are enforced and decisions are taken on consensus agreement within informal discussion. As the SCO Charter outlines, “the decisions taken by the SCO bodies shall be implemented by the member-states in accordance with the procedures set out in their national legislation.” This is reiterated by the normative underpinnings of the organization, which enshrine non-interference in the internal affairs of states.

Indeed the SCO Charter states that relations within the organization will not be strictly defined, rather they will proceed, “from the spirit of mutual trust, mutual advantage, equality, mutual consultations, respect for cultural variety and aspiration to joint development that was clearly established at the meeting of heads of six States in 2001 in Shanghai.” Thus, in line with the normative premise of its “Shanghai Spirit,” SCO has been developing as a valuable, trustworthy, and reliable mechanism for China’s regionalization of Central Asia.
China has had a huge influence on the development of the SCO from its very origins to its current burgeoning place in the regional landscape of Central Asia. Indeed, the SCO framework and the values it espouse strike a definite chord with the Chinese leadership’s views on how international relations should optimally be conducted. Thus, “from the very beginning the Shanghai Five, SCO reflected Beijing’s desire in establishing a norm-based and new kind of post-Cold War security order in the region” (Wang 2007, 116). As a result, a distinct Chinese mark has been stamped on the focus and culture of the organization. Indeed, Pan (2008, 246–250) argues that China’s “key role” in SCO can be seen in the formulation of “the conceptual guidelines… driving institutionalization forward” and “giving direct support to major projects.”

In this context, the SCO is a mechanism through which the Chinese leadership hones its regionalization strategies, and ingrains core principles into a model of both regionalism and multilateralism. Wang (2007, 119) notes that SCO is integral to ironing out the concepts of the Chinese normative approach, as seen by a “tireless advocacy of ‘new security concepts’ as well as the configuration of these concepts in the from of a ‘Shanghai Spirit’,” which “points to the increased weight of norm and rule-making in China’s foreign policy.”

The importance of SCO to Chinese foreign policy is acknowledged by its leaderships. The Chinese President Hu Jintao (2006) expressed that, “though there are big differences among the SCO member-states in ideology, culture and level of economic development, the reason why SCO has made such rapid progress and outstanding achievements lies in our insistence on the Shanghai Spirit.” In this respect, “SCO has had a strong ‘demonstrative effect’ in the formation of new models and new thinking for Chinese diplomacy at the turn of the 21st century” (Pan 2007, 45).

A number of aspects of the institutional development of SCO can also be ascribed to Chinese initiatives, not least the location of the SCO Secretariat in Beijing and the fact that the organization bears the name “Shanghai” (Clarke 2009; Kavalski forthcoming). In addition, the SCO Charter resembles the broader Chinese conceptions about international relations. However, this does not distract from the principle of equality and multilateralism embedded in the core values of SCO. The open and flexible model of cooperation in the SCO is an expression of China’s current view of the international system. Beijing has drawn on a number of traditional Chinese values and its positive experience of multilateral cooperation with ASEAN in developing a model of multilateralism for the SCO (see Chapter 2). As Ba argues, “while China and ASEAN’s experiences are by no means the same they do share an outsider’s view of the international system, as well as a historical sense of vulnerability vis-à-vis advanced industrialized powers” (Ba 2006, 168).

From this perspective, the regionalization postulated by the “Shanghai Spirit” is conceived not as a formal structure of regulations, but as a shared set of beliefs...
and principles that should guide the progression of the organization. According to the SCO Charter, the “Shanghai Spirit” outlines an “internal policy based on the principles of mutual trust, mutual benefit, equal rights, consultations, respect for the diversity of cultures and aspiration towards common development”, while “its external policy is conducted in accordance with the principles of non-alignment, non-targeting anyone and openness.” In this context, the “Shanghai Spirit” can be seen as a concept similar to the “ASEAN Way” (Len 2007, 169).

An important aspect of China’s regionalization of Central Asia is the open normative framework of SCO, which is non-discriminatory on any criteria. In contrast to the democratic conditionality of Western regionalism, “Beijing attempts, among other things, to demonstrate through SCO that, first, countries with different civilizations and social systems could coexist in peace without democratizing domestic systems, as the democratic peace advocates would argue” (Wang 2007, 118). In a wider context, SCO is an opportunity to illustrate that a Chinese-inspired regionalism can be trusted, and is preferable to other external-sponsored regionalization, in particular Western-driven regionalism. From this perspective, SCO is of great symbolic importance to China’s regionalization because Beijing “has an interest in showing that it can build an international bloc independent of the West and organized on non-Western principles” (Bailes and Dunay 2007, 13). SCO therefore is an important socializing tool for China, through which it acquaints other countries with the practice of Beijing’s outlook on appropriate decision-making.

**The Russian-Chinese relationship in SCO**

Although possessing its own distinct *raison d’être* the Russian-Chinese relationship is central to SCO’s makeup. The manner in which relations between the organization’s two largest members evolve will to a large degree determine its fate. The momentum created by the improvement in bilateral relations between Moscow and Beijing provided the driving force for the development of the SCO. From a Chinese perspective, SCO not only offers a mechanism for the regionalization of Central Asia, but is also a pillar for consolidating bilateral relations with Russia. Indeed, Moscow and Beijing have found the SCO a useful vehicle for pursuing common interests.

A number of essentially Russian-Chinese bi-lateral programs of cooperation are now found under the umbrella of the SCO. For instance, the SCO Energy Club can be read as a Russian-Chinese project for binding the energy policies of the Central Asian republics into the Russia-China orbit (Luzianin 2007). Also, “Russian-Chinese security cooperation paradoxically manifests itself as bilateralism within SCO multilateralism” (Tolipov 2006, 164; McDermott 2007). An important vector in contemporary Russian-Chinese relations is the assertion of common views on a variety of global issues (Aris 2008). Integral to this has been a number of high-profile joint statements on contemporary international events. This shared
narrative of current affairs is further reinforced by the common declarations issued at the annual SCO summits.

Taking these factors into account, Bailes and Dunay (2007, 16) argue that “the very fact that all these efforts can now be handled in a multilateral framework rather than requiring ad hoc deals for bilateral assistance (which are difficult to balance politically and are never without a quid pro quo) represents a huge step forward in itself.” For China, Russia is a valuable partner in SCO both as an experienced participant in multilateral organizations and also because Moscow takes a broadly similar outlook on the international affairs. Conversely, given Moscow’s inherent fear of becoming a junior partner to an emergent China, it is more than happy to take on the role of senior adviser within a structure than enshrines its place as an equal partner of Beijing (Trenin 2005, 26).

China and the Central Asian member-states of SCO

China is perceived by the Central Asian members of SCO, as the main proponent of the “Shanghai Spirit.” Indeed, a number of analysts in Kazakhstan and Uzbekistan argue that their countries tend to take a very pragmatic approach to foreign policy because the development of shared long-term norms and principles is not a high priority for SCO (Nursha 2007; Makhmudov 2007). At the same time, the key principle of the “Shanghai Spirit”—non-interference in the domestic affairs of states—is an issue at the forefront of the foreign policy agenda in all the Central Asian republics. In this respect, the ruling regimes of the region perceive SCO to be of value to their foreign policy.

As a result of the huge disparity between the resources and capacities of its member, the Central Asian republics are perpetually concerned that SCO will be usurped primarily by Russian and Chinese interests. Yet, Beijing asserts that the loose and flexible nature of SCO indicates that its “tasks are not established once and for all, but form within a process of cooperation, therefore its functions develop in parallel with its structural characteristics and, correspondingly, also possesses the potential for expansion” (Zhao 2006, 13). This enables the SCO to progress at a pace determined by all its member-states. Therefore, the Chinese approach within the SCO has focused as much on trust-building as on achieving its strategic interests.

Historical suspicion and unhelpful assumptions about China in Central Asia led the Chinese leadership to adopt a very “soft” approach to its regional strategy and also advocate a “thin” layer of institutionalism within the SCO (Pan 2008). Yahuda (2007, 97) argues that “Beijing appreciates that the multilateral approach is the best way to allay lingering suspicions about possible threats that China’s rise may pose to the independence of its neighbors and fears about potential Chinese hegemonism.” The “Shanghai Spirit” thus seeks to familiarize the SCO member-states with China’s presence in the region and its values and norms, and in this way reassure the leaderships of the Central Asian republics that China does not
represent a conquering force but a partner that can offer assistance to regional states. Therefore, Beijing hopes to develop a common set of practices among the SCO members that encourages them to adopt a Chinese-inspired perspective in their foreign-policy-making.

**Does the SCO instance a success for China’s regionalization?**

It needs to be acknowledged that SCO is not the only multi-lateral regional security organization in Central Asia—such as the Moscow-driven Collective Security Treaty Organization (CSTO) (Kavalski 2009b). The maintenance of parallel organizations is to a large extent because of the lingering doubts among both Russian and Central Asian leaderships about Chinese intentions and interests in the region (Bailes and Dunay 2007, 14). However, in recent years, there has been increased cooperation between these other organizations and SCO, which emphasizes the regional dominance of the latter. For instance, some commentators have noted that “right now it looks like the CSTO will be making step by step concessions to the ‘Shanghainians’” (Safranchuk 2008). In this way, both SCO and the Chinese-inspired regionalization that underpins it are positioning themselves as more functionally relevant to Central Asia than the other multilateral actors.

In this respect, China’s regionalization of Central Asia appears to be developing in a promising direction. In connection with wider Chinese considerations of international relations, the SCO is not a highly codified supranational organization; instead a looser framework of values and norms has proven influential on the practices of member-states. This promotion of common values and norms has been formulated to fill the gaps left by a lack of “thick” institutionalism in the region. Indeed, according to some analysts “SCO’s biggest achievement to date is its success in creating a stable institutional foundation despite the challenges brought about by the rapid and sudden changes in the international security environment” (Zhao 2006, 105/6). Following the collapse of the Soviet Union’s, it was widely expected the Central Asia would become mired in inter-ethnic and inter-state conflict. Allison and Jonson (2001, 4) argue that the “existence of a wide variety of internal sources of instability within Central Asia means that the potential for conflict is ever-present and the growing influence of foreign states and transnational influences in the region could deepen divisions within vulnerable societies.” However, the prevalence of Chinese attempts to construct a community of practice within through SCO has ensured that tensions do not flare up into an open conflagration. As Adler (2007, 5) notes, a community of practice is based on shared beliefs and practices including “norms and practices of self-restraint.” Within SCO’s framework, the “Shanghai Spirit” has encouraged interactions between the member-states by putting them in a situation in which they (voluntarily) have to do things together (see Chapter 1). In this respect, DeHaas (2007a, 250) has proposed that SCO (just like the OCSE) “is found on the desire
to avoid or decrease tensions in the military dimension,” and thus encourage their members to refrain from the use of force against one another.

As well as an unstable security landscape, regional cooperation in Central Asia is additionally complicated by the caveat that the SCO member-states are unwilling to cede any form of national sovereign decision-making power to a common regional body. As a result, the SCO has had to develop a mechanism that can effectively address regional security but not threaten the sovereignty of its members. To this end, China has taken the lead in developing the SCO model of regional cooperation. In this respect, “SCO represents one of the first cases of China taking the lead to develop a regional regime. Moreover, the SCO has allowed China to refine and develop its ‘new security concept’, multilateral security cooperation based on community building rather than formal alliances” (Lanteigne 2005, 116).

To this end, the SCO has sought to promote common interests between its member-states without ever indicating it intends to interfere in individual states’ foreign policies. In this context, the evolutionary nature of the SCO with its concentration on developing shared understanding and values has enabled states, which view each other with suspicion to remain within a regional mechanism (and in the case of Uzbekistan choose to rejoin it), and communicate and cooperate with each other on various issues—a practice which (arguably) they would not undertake otherwise.

This development illustrates the important role of regionalization in China’s foreign policy strategy. SCO’s “soft” multilateral approach, therefore, is enshrining China as an important actor in Central Asia. Lanteigne (2005, 116) argues that “Beijing is opting for a policy of engagement, making use of its powerful position in the region to offer political and economic support in the hopes of creating an atmosphere of great peace and stability.” It is in this context that SCO has become one of the most dynamic frameworks for regionalization in Central Asia (Zhao 2006; Pan 2008).

However, as yet SCO has not managed to achieve one of China’s main priorities in Central Asia—the establishment of a free trade area. Thus, while the SCO-framework has played a role in socializing Central Asian and Russian leaderships with Beijing’s strategic outlook, they still remain wary of giving China an unfettered access to the region. Oldberg (2007, 35) notes that “just like the Russians, or perhaps even more, the Central Asian nations are afraid of the growing Chinese economic strength... and have therefore opposed the Chinese wish for free trade.” Instead, it appears that Russia and the Central Asian republics prefer such economic coordination to be developed within the Eurasian Economic Community. Thus, unwilling to risk its standing in the region, China has let this aspect of its regionalization of Central Asia to be sidelined, while pursuing practices of shared agreement.
Conclusion

SCO has become one of the most prominent examples of China’s multilateral regionalization. Indeed, China has been able to structure it along a path infused with Chinese ideas about international relations. A focus on loose institutionalism, non-interference in the domestic affairs of states, and creating a common framework of normative understandings are the practices that have successfully established China as an important regional actor. Although, some elements of Beijing’s agenda are still observed with caution by SCO members, they all now see their security, economic and most importantly political relations as intrinsically-related to China’s presence in the region, in general, and the SCO-framework, in particular.

This is a significant success for China’s regional strategy, as prior to 1991 China was (at best) a peripheral player in the region. In the course of the last fifteen years and especially since the inauguration of SCO in 2001, the multilateral frameworks of the Shanghai process have proven advantageous for the establishment of a regional environment both open to Chinese participation and conducive to Beijing’s interests. In this respect, China’s regionalization in other parts of the world can be viewed as an export of its Central Asian experience. Pan (2008, 253), thereby insists that “the current Chinese diplomatic principle of befriending and benefiting neighbors has been based firmly on this SCO success story and other related experiences.”

As a result, SCO represents an important template for understanding China’s regionalization strategies. In this respect, the values and principles underpinning the “Shanghai Spirit” reflect Beijing’s promotion of communities of practice through regionalization. This model is aimed at developing a Chinese-inspired sense of shared knowledge, beliefs and practice among a group of states. In the context of the SCO, this model has had some success. Furthermore, the potential to expand SCO-membership to India, Pakistan and Iran promises to reinforce the influence of China’s model of regionalization across the wider Asian region.
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Introduction

China’s relationship with the Middle East dates back thousands of years, with ties consolidated through diplomatic and economic linkages made via the ancient “Silk Road.” China used this route to exchange goods and ideas with the states of the Middle East and remnants of these early Arab, Persian, and Turkish ties can still be seen all along the silk road, most notably in China’s province of Xinjiang. Those merchants and diplomats who traveled to China from the Middle East brought new religions and cultures with them that continue to be important to understanding contemporary relations.

Since the establishment of the People’s Republic of China (PRC) in 1949, relations with the Middle East have both expanded and become more complex. During the Cold War China found itself in competition with the Soviet Union, and to some extent the USA, for influence in many regions of the developing world. China presented its foreign policy as one of non-expansionism, a marked contrast to the policies being pursued by both the USA and Soviet Union. China’s role in the region at this time was still not one of equal importance, and the system was best characterized as bipolar rather than multipolar. Beijing was taking an active role in encouraging “both anti-colonial and national liberation movements in the region” and using “revolutionary diplomacy” to enhance its status in the region (Dillon 2004, 45). In the 1980s China’s relations in the Middle East expanded further, using arms sales to strengthen its relationship with various states. In the last two decades, the need to secure oil resources has become more pressing, which has facilitated the strengthening of relations with regional states.

In the wake of the terrorist attacks on 11 September 2001 (“9/11”), China’s relations with the Middle East have increasingly come under political scrutiny. In addition, scholars have speculated on the likelihood that China’s expanding influence signals the emergence of a revisionist power and a serious challenger to US-hegemony. The expectation is that an economically more powerful China will succumb to the structural realities of the system and seek to change the balance of power in its favor. However, these arguments underestimate the importance
that China has placed on becoming a responsible stakeholder—as indicated by its membership of a growing number of international organizations. To understand its choice of alliances and to illustrate how certain norms and values shape its regionalization strategies, this chapter utilizes a constructivist analysis to explain Beijing’s foreign policy behavior in the Middle East. We argue that structural realism and mercantilism are not adequate for assessing China’s relations with the states of the Middle East. Instead, we argue that, on the one hand, China has become socialized by the international community to the extent that international practices and norms have been internalized by China; and, on the other hand, China is socializing states in the region by building economic partnerships and presenting itself as a viable alternative to the conditionality of Western agency. In contrast, China’s regionalization strategy is decidedly geared towards “carrots” rather than “sticks.” These factors, combined with China’s growing global political and economic importance, have attracted many states to align with Beijing.

As a result, Beijing’s socialization has created a community of practice that shares the same interests in rejecting or resisting US-hegemony, in protecting the integrity of state sovereignty, and in furthering their own economic and energy interests. China encourages a sense of shared practices by engaging Middle Eastern states in joint enterprises and by developing a repertoire of common resources centered on China’s outreach to the region.

Thus, rather than overestimating the structure of the system and power politics as structural realists and mercantilists do, commentators must pay greater attention to the relationship between the second and third levels of analysis and build more bridges among these literatures to provide a fresh reading of China’s behavior in the Middle East. Constructivism not only offers that connection across levels of analysis, but is also less static in its approach and accounts of the changes in international norms. In the process it reflects the social realities of the system and the strategy of socialization through regional partnerships. In this chapter we examine the role of these geo-economic interests and how norms in communities of practice, tied to China’s expanding role in international organizations, have encouraged Chinese foreign policy to be more flexible in the Middle East and avoid serious entanglements or conflicts with other global powers. Such approach to Beijing’s regionalization is in line with the assessments that “China’s multilateral diplomacy is marked by attentiveness to the different dynamics in each subregion and an emphasis on showcasing its win-win, growth-oriented, and nonthreatening foreign policy approach” (Deng 2008, 274).

Constructing China as a status quo power in the region

China-scholars have long debated whether China is a status quo or a revisionist power. It has to be acknowledged that such a query is limiting since it forces one to generalize Chinese foreign policy behavior into a single categorization without adequately considering the contextual factors that may lead it to pursue different
policies depending on the time and the actors involved. In a pronounced attempt to adapt to a changing international climate, Beijing has championed international norms in order to encourage a new sense of appropriateness. In this respect, the regionalization strategy advanced by China in the Middle East reflects the norms and practices of its worldview—a foreign policy approach that has been positioned as an alternative to available Western models. It is also a tool for socializing states in the region to adopt more Sino-friendly policies and partnerships, taking further power away from the West.

According to structural realists, the anarchic nature of the system forces states to be self-interested pursuers of power where they are concerned with relative capabilities and balancing the power of others. Waltz (1979) has argued that the distribution of capabilities is fundamental to understanding international relations in terms of both war and alliances and that unit-level variation is irrelevant. Essentially it is the third level of analysis—the system—that matters and individual states will behave predictably given the structure of the system itself. Within security studies, structural realists can further be divided into those that advocate defensive and offensive realism. Defensive realism, associated with Kenneth Waltz, emphasizes security-maximizing behavior where balancing is used to avoid the outbreak of war. In comparison offensive realism, associated with John Mearsheimer (2001), focuses on conflict, competition and the relative power of states. States thereby seek hegemony and power-maximizing behavior to ensure their security. Therefore from the structural realist perspective, while China may claim to be a status quo power other international actors—such as the USA—will perceive the rise of China as a threat to their own power or to the stability of the system.

The assumption with structural realism is that China will not be content until it establishes itself as a hegemon, and in the meantime it will continue to boost its military capabilities, work on economic growth, and seek strategic alliances with different states in order to balance Washington’s power. Moreover, China should behave in a way that indicates it is not satisfied with the rules of the current system and will attempt to change them to ones that are more favorable to its own interests. Power theory proponents argue that “rising power leads to a growing geopolitical appetite and a likely change towards revisionism” (Legro 2007, 518). In terms of China’s role and relationships with states in the Middle East, structural realists see China’s efforts to reach out to certain states as an effort to balance against US interests in the region. China’s pursuit of stronger relationships with oil-rich states like Iran, Saudi Arabia, the United Arab Emirates (UAE), and Qatar is indicative of its concerns about securing energy resources to fuel its rise as a regional and global power. It also presents these states with an alternative to the USA, particularly at a time when Washington’s image in the region is suffering. However, China has not pursued these relationships in ways that run counter to international norms.

Similar to structural realism, mercantilism is focused on the competition among states with an emphasis on maximizing relative power and wealth. The system is
thereby shaped by the most powerful states as they pursue policies that reflect their own self interest and capabilities that can be enhanced with the accumulation of wealth. Although it can be argued that China is interested in maximizing its wealth and independence, it has neither engaged in overly protectionist practices, nor has it pursued certain economically beneficial relationships at a cost to its overall reputation or international norms. We can see this quite clearly in its relationships with controversial states such as Iran and the Sudan, where wealth-maximizing behavior and the desire for energy security should lead it to continue pursuing relationships with those states regardless of international pressures involving the nuclear weapons program or human rights violations respectively. As China continues to develop and its energy needs expand, its behavior has clearly demonstrated that geo-economic interests will be a priority, thus better relations with oil rich states in the Middle East and Northern Africa is important.

Moreover the economic benefits that China perceives in this region extend beyond just oil and gas, and include also arms transfers, trade in other goods, and the migration of Chinese laborers. However, in spite of China’s stronger economic presence in the region, it has not hesitated to modify its relationships with some states in response to international pressure. This can be seen in China’s willingness to support sanctions against Iran for its nuclear program, its diplomatic efforts in Sudan to quell human rights criticisms during the 2008 Beijing Olympics, and even holding back on aggressively developing its relationship with Saudi Arabia to avoid encroaching on US-interests (Currier and Dorraj forthcoming). In the case of Saudi Arabia, Sutter (2008, 366) argues, “though Saudi Arabia reportedly had an interest in showing greater independence from the United States, Chinese interest in posturing against the United States in such a sensitive area as relations with Saudi Arabia seemed low.” Since Saudi Arabia has been one of the largest suppliers of oil to China, the pursuit of a stronger relationship with it should have been at the forefront of Chinese interests. Thus, mercantilist explanations also seem inadequate predictors of Chinese foreign policy behavior, particularly as we look at its relationship with the region in more depth.

In contrast to the aforementioned theoretical approaches, constructivism provides greater insight into why states like China may identify with certain states over others and avoid conflict. The process of identity formation, socialization, and norms is one that is not static, rather it is nuanced, fluid, and constantly changing. These factors are not limited to just examining how institutions constrain or shape behavior, they also help in understanding the many ways in which norms can be diffused. Instead of focusing solely on the material aspects, the larger social context in which we understand the world must be examined. The constructivist claim that the foreign policy responses of actors are not based on predetermined or calculated decisions, but rather according to this institutionalized structuring of “rules, norms, expectations and traditions” guiding their actions (Mule 1999, 148).

The value of this approach is in its ability to bridge two dimensions of political science—international relations and comparative politics. Constructivism offers
a bridge between these literatures by looking both at external structures/norms guiding behaviors within states but also interactions among them. Moreover, it tends to elicit the more comprehensive agency of external actors and international organizations than either realism or mercantilism is typically prepared to offer (Finnemore 1996, 12). International relations are therefore thought of as a social construction.

In explaining Beijing’s regionalizing policy in the Middle East, constructivism assists in demonstrating how China has managed its political and economic interests in the region—especially, in light of its interactions with other international actors in the region (as well as the contextualization of these interactions vis-à-vis its own regional aspirations). Although trade-offs always have to be made between material interests and non-material political benefits, China has not succumbed to the structural realities of the system. Instead it has developed its own brand of socialization that shapes how it interacts with other states. Its not about power politics, but it is about developing what Deng (2008, 15) calls “comprehensive national power” to “improve their country’s economic and technological prowess.”

As this analysis of constructivism shows, China has adapted to the international arena and in turn is using its role as an important international stakeholder to socialize other states in the region in ways that are uniquely non-Western. Such a study focuses on the norms that guide China’s international behavior and, in particular, on the flexible communities of practice that it establishes in its alliances with Middle Eastern states. A closer examination of China’s regionalization strategies will demonstrate how China has responded to pressures by the USA as well as the international community, modifying its foreign policy behavior in ways that are still consistent with its overall goals to never seek hegemony, uphold the principle of sovereignty, and be a responsible stakeholder in the system. The objectives of this regionalization strategy have changed over time; yet, the flexibility of its pursuit of its strategic interests has remained constant. The following section offers an overview of the dynamics of China’s regionalization in the Middle East.

**Chinese-led regionalization in the Middle East**

The beginning of the PRC’s relations with the Middle East can be traced back to the 1955 Bandung Conference—a meeting of Afro-Asian states where participants worked to combat neocolonialism and imperialism. After this conference China began to court several states in the region, building diplomatic clout (Mao 2007, 115). Beijing’s objectives for building relations with the Middle East were threefold: (i) to gain diplomatic recognition for its “One China” policy; (ii) to counter Western and Soviet influences in the region; and (iii) to establish stronger economic ties through the sale of arms and by securing access to energy resources. Each of these
factors can be examined in historical context to gain a better understanding of how they fit into China’s regionalization strategy in the Middle East.

**Gaining recognition**

China’s first efforts to reach out to the region were not met with great success. The examination of these early attempts that China was not prepared at the time to build communities of practice in the region.

In the 1950s, the PRC’s assistance to nationalists and revolutionaries in the Middle East (it was also one of the first non-Arab states to recognize the Palestine Liberation Organization) was underpinned by the need to secure international recognition as the formal representative of China (Mao 2007, 115). However, Taiwan still had the stronger diplomatic presence throughout the Middle East and it managed to hold the China seat in the UN until 1971. During this time the PRC was trying to build a reputation as a champion of the developing world, offering an alternative both to the USA and Soviet Union, with the added-value of not carrying any of the political and colonial baggage plaguing Western agency in the region. By the 1960s it was clear that another key part of China’s strategy was to rival the influence of the Soviet Union in the region, particularly after the Sino-Soviet split. During this time Chinese relations with the region suffered several small setbacks, with President Nasser pulling back Egypt’s ties to China to keep on good terms with the Soviet Union (as well as some Middle Eastern states which were concerned by the influence and materialist nature of communist ideology). Moreover, China initially struggled in the Persian Gulf and Arabian Peninsula region due to the residual colonial influence Western powers had in those states (Bin Huwaidin 2002, 98). Yet China still managed to build influence in the region, stepping in to offer economic and military aid to both Yemen and Oman and encouraging revolutionary movements in both states.

In the early 1970s China managed to build ties with such Western allies as Turkey, Iran, and Lebanon, but it would take Beijing some time to strengthen these linkages. Throughout the 1970s and 1980s China began establishing diplomatic ties with Jordan, Kuwait, Oman, Libya, UAE, Qatar, and Bahrain. Again China’s strategy during this period was designed to build support for PRC’s “One China” policy, and to counter the expanding Soviet influence. Support for national independence movements in the region began to taper off during this time, and China shifted its focus to economic relations in order to further its interactions with the region. Thus, it started building closer economic and strategic ties with states like Iran, Saudi Arabia, and Iraq through both arms sales and oil contracts. As already mentioned, the economic interests, and in particular energy resources, have become the primary focus of China’s relations in the region. While these ties began to develop in the 1970s, they are instrumental for understanding Beijing’s current engagement. Throughout this time China’s approach to the region has remained consistent. It does not appear that regional states felt threatened by China’s expanding influence. Instead, Beijing’s regionalization approach has
presented China with many economic and cultural opportunities that enhance its influence in the Middle East.

Economic interests

China’s trade with the Middle East was rather marginal until the 1980s. In the 1950s it accounted for about seven percent of its trade, during the Cultural Revolution in the 1960s it dropped to approximately five percent, and in the 1970s it declined even further to approximately 3–4 percent (Bin Huwaidin 2002, 205). However China’s development in the reform era has helped to establish Beijing as an important global trading partner. It is primarily the six wealthy Arab states of the Gulf Cooperation Council (GCC)—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE—plus Iran that have become central to China’s trade relations with the Middle East. China’s exports to the Middle East have grown by approximately 500 percent in the last decade, and its trade with the aforementioned countries accounted for 70 percent of its Middle East trade relations in 2005 (Mao 2007, 118). As the Middle East becomes an important trading partner for China, China is also becoming more important to the region. In the context of a “global war on terror,” Middle Eastern states have searched for new markets and trade partners that do not come with the same neocolonial and Islamophobic attitudes as their Western trading partners, who seem to find it difficult to distinguish between the religious affiliations of the region and terrorism. China appears to fulfill such expectations, which explains its growing importance as a trading partner to the region. While each of these issues is important, the trade involving energy and arms are the most significant economic pillars of Beijing’s regionalization strategy in the Middle East. Therefore each deserves further consideration and will be examined in greater detail in the following sections.

Energy ties

With respect to energy, the needs of China are unquestionably linked with the states of the Middle East. Much of China’s demand is related to its rapid economic growth over the last thirty years. Studies of Beijing’s bilateral relations with states like Iran have shown how multifaceted its relationships have become (Dorraj and Currier 2008). China’s domestic oil and gas reserves (respectively, two percent and one percent of the world total reserves) sufficiently provided for the domestic energy consumption until 1992. But from 1992 to 2005, China went from self-sufficiency to being dependent on imports for one-third of its total consumption. In 2003, energy shortages in China “forced authorities to ration power in key industrial areas, and Beijing abruptly halted exports” (Goodman 2004). However by 2004, China managed to surpass Japan as the world’s number two oil importer (Ziegler 2006, 1–4).

From 1993 to 2002, Chinese demand for oil grew by nearly 90 percent while the domestic production grew by less than 15 percent. By 2004, Chinese demand for oil increased to 6 million barrels per day, with more than 45 percent of China’s oil imports coming from the Middle East. According to the US Department of
Energy, from 2001–2005, China alone has been responsible for 40 percent of the growth in global demand for oil. The International Energy Agency (IEA) projects that by 2030 China would import 10 million barrels of oil per day (Leverett and Noel 2006, 66). Part of this demand is driven by China’s uneven distribution of energy resources domestically, as well as the domestic pressures to increase standards of living that involve moving to more technologically sophisticated goods (Lin 1997, 9).

To satisfy this increasing demand, China began looking for new long-term energy supplies and sought better relations with major oil and gas producing states in the Middle East. Initially it was the smaller Persian Gulf producers such as Yemen and Oman that were supplying China. However, by the late 1990s China began expanding its relations with more prominent producers. Of these suppliers, Iran and Saudi Arabia have emerged as central to the future of Chinese energy security. These states are increasingly looking “East”—i.e., to non-Western actors—to find consumers in an attempt to diversify their markets (World Bank 2008).

Although, China has been buying Iranian oil since the 1970s, it was during the 1990s that China’s economic boom demanded access to more energy. Meanwhile, Iran had been searching for investors to help modernize its aging facilities and expand its production, both of which had been hindered by US policies that restricted foreign investment in Iran’s energy sector. However, China began transferring oil equipment through subsidiaries like the Shengli Oil Company and Sinopec in the late 1980s, which have established liquefied natural gas (LNG) contracts with Iran (Garver 2006, 266–268). Most notably China has invested in the Yadavaran oil field, the facilities in Neka, the North and South Pars gas field exploration, the Garmser oil block, and has signed a memorandum of understanding that commits Sinopec to 250 million tons of LNG over 30 years (BBC 2004). These deals have been brokered despite the prohibitive 1996 Iran-Libya Sanctions Act (ILSA) passed by the US Congress, which makes it illegal for foreign companies to make investments of over $10 million per year in Iran’s petroleum resources. In fact, Beijing’s most recent gas deal with Teheran, worth $3.2 billion over three years, has occurred despite these sections (Daragahi 2009). China now is the largest importer of Iranian oil and gas in the world and combined with Saudi Arabia the two provide approximately half of China’s oil imports from the Middle East.

China’s current energy strategy of engaging in more oil exploration and development can be traced to its ninth Five-Year Plan (1996–2000), where the Persian Gulf was identified as one of the targets for Chinese investment (Calabrese 1998, 356). In this respect, Saudi Arabia is even more significant than Iran in terms of its oil reserves and production capacity, which are more than twice and thrice (respectively) that of Iran. The relationship between Saudi Arabia and China started to evolve in the late 1990s, when the two countries signed an oil agreement, according to which Saudi Arabia pledges to open its oil and gas market to China, while China has allowed the Saudis to invest in refining products (Leverett and Bader 2005/2006, 191–192). The late 1990s also marked China’s expansion into Iraq’s oil market, where the China National Petroleum Corporation (CNPC)
established a production agreement with Iraq to develop the Al-Ahdab oil fields southeast of Baghdad (Calabrese 1998, 357). After the 2003 US invasion of Iraq several Chinese companies were left out of the Iraqi energy market in favor of US and British ones. However, since 2008 several Chinese companies have been invited back. China has also signed several contracts with the GCC states, which have involved investment in refineries, contracts for operating fuel stations, and contracts for petrochemical supplies for China’s textile industry (Lee and Shalmon 2007).

Beijing’s enhanced energy relations with states like Iran and Saudi Arabia have significant implications for its regionalization strategies in the Middle East. As China’s economic growth continues, its demand for energy will increase exponentially and its dependence on Middle Eastern energy sources will continue to grow. The rising dependence of China on Middle Eastern oil supplies has ramifications for China’s relations with the region, but also for its relationship with other international actors. In the aftermath of “9/11,” Beijing has become an increasingly attractive alternative to Washington in the region. Thus, gaining access to the energy resources of the Middle East has provided Beijing with a platform for advancing its long-term economic and strategic interests in the region premised on a shared community of practice.

Arms sales Historically, arms sales have been a key feature of China’s strategy to present itself as a viable alternative to the Euro-Atlantic and Soviet models of international politics available during the Cold War. China’s foreign policy was, and continues to be, one that values sovereignty and seeks non-intervention. Thus arms sales have become an indirect way to assert its influence in the region, by building economic ties to states. Bin Huwaidin (2002, 114) notes that China’s arms exports to the Middle East during the 1980s accounted for nearly 70 percent of its total arms transfers to the world. Moreover, China was an “equal opportunity” supplier, providing weapons to both Iran and Iraq during their 1980–1988 war. It was during this period that China’s relationship with Iran grew stronger and continued to deepen in the post-Cold War period. Beijing’s arms transfers to Teheran increased from $400 million (during 1993–1996) to over $600 million (during 1997–2000) (Grimmett 2002, 51). Some commentators have estimated that China’s sales of conventional weapons to Iran for the 1982–2004 period stood at $3.8 billion, averaging approximately $171 million per year (Garver 2006, 171).

Arms transfers to the Middle East, particularly to Iran, have given way to concerns about China’s role in the development of its more complex missile technology and its nuclear program (Currier and Dorraj forthcoming). Again this cooperation began in the 1980s and included training for scientists and engineers, the transfer of dual-use technology, and construction contracts for nuclear facilities. However, in the 1990s the relationship suffered setbacks with Washington increasing its pressure on Beijing to scale back involvement in Teheran’s nuclear program. At the same time, Iran’s continued defiance of the international community to allow
weapons inspectors to monitor its nuclear facilities, has forced China to distance itself from Iran. China has continued to rely on its reputation as a responsible international stakeholder, even though it helped water down some of the UN sanctions placed on Iran.

*Cultural ties and understanding as gateways to recognition*

Formal recognition and economic ties are two ways in which China has begun to build its influence in the Middle East. Of the most relevant factors that inform Beijing’s current practices of regionalization, three issues deserve further attention: the role of Muslims in China, the “Eastern-globalization Strategy,” and the American-led “war on terror.” These are some of the soft power elements to China’s strategy in the region and give us greater insight into how China builds communities of practice.

China has faced many challenges over the years with regard to its policies on religion, the treatment of minorities, and separatist activities in its autonomous provinces such as Tibet, Xinjiang, and Ningxia. In the cases of Xinjiang and Ningxia, China has been known to implement controversial policies that diminish the autonomy of local Muslim populations. It has also resorted to population resettlement and has suppressed religious freedoms for the Hui and Uyghurs in the region that has at times attracted international attention and criticism. It was, however, mostly during the 1990s that several Middle Eastern states became gradually interested in Beijing’s treatment of Muslim minority groups. China quickly seized this opportunity to use its Muslim populations as leverage for its relations with the Middle East. For instance, although Iran’s leaders appeared initially unaware that China had a sizeable Muslim population, Beijing capitalized on this connection to set up a series of religious exchanges between Chinese Muslims and clerical leaders (Garver 2006, 60–68, 136–138). These exchanges were closely monitored and regulated by the Chinese, complete with handpicked delegates to support Beijing’s claims that it was upholding religious freedoms and the rights of Muslims (Garver 2006). In its relations with Saudi Arabia, China managed to secure funds for the building of mosques and Islamic educational facilities as well as training for *imams* (Muslim religious leaders) in China and utilized investments from the Islamic Development Bank located in Saudi Arabia (Dillon 2004, 48).

In addition, China has expanded its influence in the Middle East with Confucian Institutes established in Iran, Israel, Jordan, Lebanon, Pakistan and Turkey. These institutes are designed to promote Chinese language and culture, thereby enhancing ties between host states and China. The most recent institute was established in Jordan, where a memorandum of understanding was signed and the “Jordanian Cultural Minister Sabri Irbeihat expressed his hope that the Chinese language-learning institute would strengthen the cultural ties between the two countries and bridge the gap between the Chinese and the Arabs” (Xinhua 2009).
These efforts to reach out to the Middle East on a social level can be seen in the numerous cultural exchanges between China and the region designed to broaden awareness of each other’s unique societies. In this respect, “China hoped to use Islam as a stepping stone to reach the Arab world” (Bin Huwaidin 2002, 99). The claim has been that “both [China and the Middle East] represent civilizations that have made great contributions to the world, and are facing the challenges of modernization and the encroachment of Western culture” (Mao 2007, 124). Neither wants to see their unique identities replaced by an Americanized globalization that further asserts the domination of the West. This “Eastern-globalization Strategy” adopted by many Middle Eastern states aims at the articulation of an alternative discourse for global interdependence. China, thereby, has become an important participant in this conversation.

Finally, over the past eight years China’s relations with the Middle East have encountered both challenges and opportunities given Washington’s “war on terror.” The US has tried to garner Beijing’s support in the UN Security Council on several issues involving the Middle East, but China has been reluctant to back American efforts. For instance, Washington’s inclusion of radical factions of Uyghur separatists on the list of terrorist organizations can be seen as one attempt to curry favor with the Chinese, with the hope that China would become more cooperative on issues involving Iran, Iraq, and/or Afghanistan. In fact, China has responded both by supporting UN resolutions that called for the disarmament of Iraq as well as the sanctioning of Iran over its nuclear defiance and insistence on developing its own nuclear program.

Although China never supported the UN-sanctioned efforts in the first Persian Gulf War, nor did it offer any support for the 2003 Iraq War, one can argue that in recent years they have not stood in the way of US-policies and have kept their criticisms relatively mild (Mao 2007, 122). In general, China supports efforts to settle conflicts through peaceful means with bargaining rather than resorting to military action. Although China has not explicitly been an advocate for the Middle East, from the perspective of the countries in the region and the developing world, China is still a useful ally, given its permanent seat on the UN Security Council. This position can serve as a check on Western powers that provides the states of the Middle East with a key ally who shares the importance of sovereignty and non-intervention.

In the post-9/11 era, the Middle East has also struggled with its depiction in Western media and popular assertion of alleged connection between Islam and terrorism. Even regional states that have benefited from close relations with the USA have sought to diversify and broaden the spectrum of their political and economic interactions. Thus, many Middle Eastern states have looked for opportunities to expand their relations with non-Western actors—a pattern, which has coincided with China’s growing interest in the region.
China and the Global Politics of Regionalization

The future of China’s relations with the Middle East

China’s interests in the Middle East have adapted over the years and have included several motivations ranging from diplomatic recognition and countering the promulgation of Soviet and American spheres of influence to meeting the demands of its own economic growth. In this respect, it is important to consider the role of promoting a community of practice in the region through the dynamics of international socialization. After its initial struggles to gain recognition, China has used its agency in the Middle East to establish strategic relationships that continue to underscore its importance to the region.

Beijing’s approach to the Middle East has been one of adaptation. Meanwhile China has also stayed true to its foreign policy objectives of non-interventionism, placing emphasis on sovereignty and the right of states to be free of external interference in their domestic affairs. This has allowed it to initiate a regional community of practice around the norms and practices of an “Eastern-globalization Strategy,” which positions China as an alternative to the expansionist and neocolonial behavior demonstrated by Western actors in the Middle East. The type of Beijing-driven socialization that has emerged is distinct in that it uses “carrots” rather than “sticks” to engage regional states economically, while depicting the relationship as one without any “political strings attached.”

As this chapter has demonstrated, the forces driving such regionalization strategy have centered largely on China’s economic needs. For China, the Middle East is a major long-term energy supplier and a lucrative market for Chinese goods and services. Lacking the political baggage of Washington, China is well-positioned to enhance its involvement in the regional energy market. China also sees states like Iran as a useful political asset in its attempt to decrease Western influence in the Middle East. This assertive stance, however, is balanced against the reality of the Sino-American bilateral economic and political relations. In China’s political calculus Washington still looms larger than its relationship with any individual state in the Middle East. It is in such a contextual understanding of the complex dynamics of global politics that the Chinese regionalization strategies must be positioned in order to be understood.
Chapter 13
Making a Region out of a Continent?
China’s Regionalization of Africa

Emilian Kavalski

Introduction

Commentators have long argued that Africa has been a “deeply regionalized continent;” the claim therefore has been that it provides a “classic location” for the study of “new regionalism”—“a regionalism shorn of conceptual rigidities (and, alas, also often the worthy but naïve aspirations) that marked its predecessors, that places regional relationships, firmly within the frame created by globalization on the one hand, and the endless human search for physical and material security on the other” (Grant and Söderbaum 2003, xiii–xiv). China’s involvement in these dynamics appears to insert another level of complexity in an already intricate environment. Yet, as Sheng Ding (in Chapter 3) demonstrates China’s “no string” regionalization of Africa is conceptually guided by the pursuit of “amicable, peaceful, and prosperous neighbors (mulin, aulin, fulin)” and engaging them in the enterprise of “common development” (Chung 2009, 116). It is in this context that Beijing’s international engagements draw attention because of its very practices of regionalization, rather than the mere specificities of its particular policies.

Thus, for instance, China’s transformative potential in Africa has been termed “the most dramatic and important factor in the external relations of the continent” (Clapham 2006, 1). The recognition of these patterns has not only brought attention to the norms and values of China’s foreign policy, but has also provoked a reconsideration of the cognitive structures of the field of world politics and the way international actorness is conceptualized (see Chapter 1). In this respect, China’s regionalization of Africa reveals a unique combination of “elements of the old (extraction of raw materials)” and the “new”—“the prospect for the consolidation of African independence” (Campbell 2008, 92). In this respect, it is the assertion that “the right of survival” and “the right of development” should take precedence over individual human rights (Cheng and Shi 2009, 96), which underpins the practices bringing China and African states together.

The claim here is that although a novel development, China’s agency both in world affairs and in Africa is not new. The focus on the latter, in particular, seems to overlook that the PRC has been involved in the continent for several decades as part of an ongoing attempt to advance its international outreach. Thus, the concern about the current “sinicizing” of Africa as a result of China’s growing influence
in the continent tends to overlook the historical experience of this relationship. For instance, what is often termed as China’s support for an “informal league of dictators” (Kagan 2006) in Africa tends to be premised on a non-contextual analysis of Beijing’s associations with the continent. Although a historically-informed assessment would not make such practices more palatable, it would at least indicate that China’s policies in Africa are not that different from its earlier involvements in the continent.

In contrast to mainstream analyses, this investigation asserts that Beijing’s regionalization of Africa reflects China’s age-old idea of acculturation-through-exposure or “laihua (come and be transformed)” (Zhang 2001b, 55). Thus, in a qualitative change from its engagement in the continent during the 1950s and 1960s, China’s current outreach indicates its ability to involve African countries in shared practices. This policy-attitude indicates Beijing’s willingness to rectify what it perceives as ‘the corrupt world order’, by presenting itself as a model of a government-controlled development (Shih 1993, 201). In this respect, China is currently the only non-Western actor that manages to alter the policy behavior and attitudes of states through the power of its attraction (see Chapter 1). In the developing world, therefore, the regionalization strategies extended by Beijing reveal a distinct set of “non-Western accomplishments in the struggle against the West” that script an emancipatory narrative of the possibility of Third World “independence (the eradication of dependence)” (Puchala 1997, 131).

This proposition also acknowledges that China’s meteoric rise has become an appealing model for many developing countries, to whom Beijing’s international prominence and economic development are “a testament that poor societies can rise beyond [the constraints] of colonial exploitation” (Campbell 2008, 100). Thus, the acknowledgement of China’s status by developing countries as “one of their own, who has made it without submitting to Western conditionality” creates the foundation “for the development of a new, parallel international system, with its own distinctive set of rules, institutions, ways of doing things—and currencies of power” (Barma et al. 2007, 25). This chapter’s survey of Beijing’s regionalization sketches the main themes animating its international conditioning propensity—“peaceful rise” to global prominence, non-interference in the domestic affairs of states, and the preservation of Chinese national values.

For the purposes of clarity, this analysis divides Beijing’s regionalization of Africa into a “dogmatic” and a “pragmatic” period. The assessment of the latter period benefits of its further sub-division into two distinct stages—(i) post-Cultural Revolution Blues, and (ii) post-Cold War “Beijing Consensus.” In this respect, the enquiry identifies the patters of continuity and change in China’s “multi-dimensional” foreign policy in Africa. The analytical insights from such an overview are brought to bear on the analysis of the mechanics of a Chinese “charm offensive,” instanced by the 2008 “infrastructure-for-resources” deal between China and the Democratic Republic of Congo. This contract confirms the pragmatic effectiveness of Beijing’s engagement in Africa. Undoubtedly the picture that emerges is more complex and perhaps less amenable to models
of predictability required by policy-planners; yet, the contention is that such explanation and understanding of the content of Beijing’s international outreach assists the contextual examination of China’s regionalization of Africa—after all, the analysis of China’s foreign policy still remains “an exercise in observation” (Taylor 2006, 6).

**Contextualizing China’s regionalization of Africa**

According to the Chinese President, Hu Jintao (2006) the “strengthening of the unity and cooperation with Africa is a key principle guiding China’s foreign policy.” The exceptional quality that China’s current involvement in Africa is accorded by recent media accounts tends to derive not only from the pervasiveness of its economic and political presence, but also from the perception that China has no prior experience of the continent. As suggested, it is the ahistorical nature of most analyses that underwrites the extraordinary quality of Beijing’s agency in Africa. In other words, despite the definitions of new regionalism as a “broad tent,” Beijing’s interactions with developing countries are still framed by a Eurocentric disciplinary discourse (Sbragia 2008, 30). Thus, while this chapter confirms the observation that China’s impact on Africa has grown exponentially in the last decade, it nevertheless contends that this development has been facilitated—both rhetorically and in practice—by the fact that Beijing is not a new actor in Africa. In this respect, Chinese policy in Africa is subject to the interaction between continuity and change facing most external actors in the continent.

For instance, the preoccupation with the collusion between China and Zimbabwe—as indicated by the 2008 media spotlight on a Chinese ship loaded with armaments for the regime in Harare—seems to overlook the history of the relations between the two countries. Beijing was the main supporter of ZANU-PF’s anti-colonial struggle, providing it with financial assistance, military supplies and training, and international backing (Karumbidza 2007, 92). After Zimbabwe’s independence, the regime in Harare maintained its close relationship with Beijing and became the leading country in Southern Africa to cooperate with China—receiving substantial economic and technical assistance and military aid (particularly towards the building up of the Zimbabwean Air Force) (Taylor 2006, 114–117). Zimbabwe remained one of China’s staunchest advocates in the aftermath of the Tiananmen Square protests. In this context, the ongoing support of Beijing for Mr Robert Mugabe reflects the continuity of the ties between the two countries. The content (and implications) of the current Chinese economic and military aid is not distinct from the one offered in previous decades; what seems to have changed, however, is that such assistance seems to matter more today because it has managed to attract Western (media) attention.

Unlike Western perceptions, however, it seems that “history imbues the language and approach of ‘China-Africa’ relations” (Large 2007, 156). Both Chinese and African leaders tend to reinvent the memory of this shared experience
in order to conform to the expediency of their contemporary diplomatic relations. As one commentator noted, while the 2008 EU–Africa summit was “smothered [in] controversy” and “recriminations” over the “ghosts from the colonial past,” China has “sketched out the terms of [its] engagement [in the continent]” in a way that exorcised its agenda from similar controversy (Financial Times 2008). The contention here is that a historical overview of China’s engagement in Africa elicits the contexts of its current regionalization. For the purposes of brevity, this investigation follows Joshua Eisenman’s (2007, 31–33) division of Beijing’s agency on the continent into two broad periods—*dogmatic* (1950s and 1960s) and *pragmatic* (from the 1970s to the present). The first period reflects the ideological dogmatism of China’s involvement in Africa and its support for Mao-style revolutionary mass movements as an extension of its own continuous revolution. The second period stems from the ideological weariness of the post-Mao Chinese leadership, which turned to economic pragmatism to propel policy-making. In a significant elaboration of Eisenman’s scheme, this study identifies two distinct stages in the current—pragmatic—period of China’s agency in Africa, which are labeled (i) post-Cultural Revolution Blues, and (ii) post-Cold War “Beijing Consensus.”

**Dogmatic period**

As many commentators have noted, Beijing’s involvement in African politics during the 1950s and 1960 was underwritten by (i) ideological and military support for (leftist) anti-colonial revolutionary movements and (ii) anxiety about Soviet influence on the continent. The formal initiation of this relationship was at the Asian-African Conference held in Bandung (Indonesia), 18–24 April 1955 (Kahin 1956). Gradually, Africa became a central feature of the escalating Sino-Soviet tensions. In this respect, the so-called “Third World” became the site not only for the Chinese advance of independent foreign policy that pitted the two Cold War superpowers against each other (Mitchell and McGiffert 2007, 4), but it also reflected the conditionality of this approach: Beijing’s willingness to support only those movements fighting “imperialist forces”—a phrase increasingly used as a synonym for both the Soviet Union and the USA (Larkin 1971).

The dogmatism informing this foreign policy stance seemed to undermine the consistency of Chinese commitments. As one commentator has observed: “From the Chinese point of view, to multiply the scenes of local fighting far from China’s shores means not only to multiply the risks, but to multiply the diversions. The Chinese have a positive interest in local conflicts further-away, and among other things in local conflicts in Africa” (Lowenthal 1964, 132). The opportunism underwriting this strategic attitude seemed to come under criticism for its lack of ethical scruples. Some have declared that China has embroiled itself in a “balance of power competition worthy of the nineteenth century’s most cynical diplomats” (Taylor 2006, 202); others have questioned whether “the Chinese were truly interested in solidarity with the Third World, or whether they were more interested
in securing a position of safety or power … which among other things acted to protect China” (Chan 1987, 22).

Thus, despite the scale of its assistance, the perceived amorality and cynicism of Chinese strategy in Africa during the 1950s and the 1960s undermined both the consistency of its foreign policy rhetoric and its ability to wield significant influence in the continent (Yu 1966). Consequently, the advent of the Cultural Revolution—and the attendant disorganization and chaos in China—tarnished and eroded Beijing’s position in Africa (Taylor 2006, 32).

**Pragmatic period**

The pragmatism that dominates China’s regionalization of Africa began to emerge in the waning years of the Cultural Revolution. Unlike the ideological dogmatism of the 1950s and the 1960s, such pragmatism has not only led to an unprecedented reinvigoration of Sino-African relations, but it has also significantly altered both African perceptions of China as well as global attitudes towards China’s agency. In particular, the shift to a “smarter” foreign policy has permitted China to implement increasingly more effectively its international objectives while expending significantly smaller portion of its resources on external relations than during the “more muscular” approach of the dogmatic period (Heginbotham 2007, 204). Since such transformation did not occur overnight, this study proposes a two-stage approach to the development of Chinese foreign policy pragmatism—(i) a post-Cultural Revolution phase; and (ii) a post-Cold War phase.

It needs to be reminded, however, that the pragmatism of Beijing’s regionalization has been underpinned by China’s strong—both historical and rhetorical—identification with the countries of the Third World, which continues to be an important theme in its foreign policy (Cheng and Shi 2009, 110). At the same time, Beijing’s narrative framing of Africa’s regionalization insists on the qualitative distinction between the historical record of China’s trade relation with the continent, on the one hand and the experience of Western plunder, enslavement, and colonization of Africa, on the other (Campbell 2008, 90; Yuan 2007, 10). It is in this context that Beijing’s regionalization of the continent rests on the perception that African countries are China’s “natural allies.”

**Post-Cultural Revolution blues** The Cultural Revolution marks a critical juncture in China’s domestic and international affairs. Thus, it is the ascendance of Deng Xiaoping in the late 1970s that is usually taken as a point of departure in discussing the changes in Beijing’s policy-making. The assertion usually is that “only when China began to open its door did it change… from a revolutionary state to a reformist state” (Chan 1999, 175). Nevertheless, some commentators assert the significance of developments a decade earlier that seem to have indicated the initial push towards pragmatism. For instance, some insist that the 1968 12th Plenum of the 8th Meeting of the Central Committee of the Chinese Communist Party offers “a convenient marking point from which significant indices of change
can be identified in [Beijing’s] foreign policy” (Taylor 2006, 13). Others point out that such policy shift was propelled not only by the ideological weariness of the disillusioned Chinese leadership, but also by the tangible threat of a Soviet invasion in 1969, when Moscow amassed roughly 400,000 troops on the Sino-Soviet border (Eisenman 2007, 31). In this context, it appears that Deng Xiaoping’s ascendance has both legitimized and consolidated those trends. Thus, from 1979 onwards there has been a consistent underplaying of ideology in China’s policy-making. Instead, its strategic orientation has been subject to the goals of economic liberalization at home and foreign trade and investment abroad (Mitchell and McGiffert 2007, 16).

In this initial stage of China’s pragmatic shift, Beijing sought to repair its image in Africa. As Zhao Ziyang, the then Chinese Prime Minister, made it clear during his 1982 trip to the continent, the emphasis on economic cooperation has become central to Sino-African relations (in Brautigam 1998, 49). To that effect, Chinese economic assistance to Africa began to gradually increase—in a marked departure from its reticence to unfurl such projects in other developing regions. As Chris Alden points out, “prestige projects”—such as the construction of public buildings—were a crucial aspect of the Chinese “symbolic diplomacy” in Africa. It is noteworthy, however, that the “use of Chinese firms and Chinese-sourced materials, which has become a matter of some controversy recently, has in fact been a consistent component of China’s aid program [since the 1980s]” (Alden 2007, 23). The pattern of employing Chinese companies to undertake government-financed construction projects has become indicative of Beijing’s domestic modernization program, which has been feeding the search for new market opportunities and resources (Taylor 2006, 8). Thus, in the immediate post-Cultural Revolution environment, China initiated the substitution of the dogmatism of its ideologically-driven relations in Africa for a pragmatic (profit-oriented) engagement.

Post-Cold War “Beijing Consensus” The pragmatism that has become a dominant feature of Chinese foreign policy since the 1970s continues to dominate Beijing’s roles in Africa. As will be illustrated, this trend is confirmed by the targeted involvement of Chinese investment in the continent. However, there are several features of the post-Cold War period that indicate a new stage in this relationship (suggesting that a mere economic pragmatism does not capture the full complexity of China’s regionalization of Africa).

Firstly, the repercussions of the 1989 Tiananmen Square events have led China to “‘rediscover’ its old allies in the Third World” (Taylor 2006, 121). At a time when the communist regimes of Eastern Europe and the Soviet Union were crumbling under the pressure of popular discontent, the leadership in Beijing chose to smother the students’ attempt at a Chinese “velvet revolution.” This decision threatened to isolate China internationally. In particular, the growth of anti-Chinese sentiments in the West, urged Beijing to look to developing countries both for support and for association which would indicate that China cannot be
marginalized. Arguably, China’s decision to focus on its relations with developing countries symbolized a significant shift away from Beijing’s 1978 pro-Western tilt (Cheng and Shi 2009, 91).

Secondly, such foreign policy shift in the post-Cold War period has been made possible by the vacuum in Africa left by (i) an indifferent Russia preoccupied with its own domestic transformations; (ii) a United States overwhelmed and overstretched by the transformations in the post-communist region, by an increasingly volatile Middle East, and, not least, by the demands of being the sole superpower; and (iii) a European continent going through the birth pangs of its own “reunification” (Eisenman 2007, 29). This void has facilitated China’s “grand reentrance” into Africa (Chidaushe 2007, 107). More significantly, however, (as indicated by Jiang Zemin’s 1996 tour of six African countries) the perceived and actual abandonment of the continent by its erstwhile Western donors has bolstered Chinese agency in Africa and propelled its rhetoric of a “new strategic partnership” for common prosperity (Large 2007, 156).

Thirdly, China’s proactive regionalization in Africa was further encouraged by two mutually constitutive factors. On the one hand, African countries have been growing increasingly frustrated with the conditionality of Western assistance. Such popular and policy displeasure has been fueled both by the neocolonial aspects of this approach and (mostly) by its inability to deliver development (Karumbidza 2007, 89). Therefore, some have insisted that “the genius” of China’s regionalization has been the capacity to recognize the sense of injustice that Western conditionality has bred in the continent and to turn this perception into a potent resource for achieving an unprecedented level of prominence (Alden 2007, 20). In fact, not only African policy-makers, but also intellectuals and representatives of the civil society intimate that rather than alleviating poverty “the Bretton Woods-inspired economic reforms” have exacerbated the plight of the continent (Obiorah 2007, 3).

On the other hand, the unparalleled speed and pervasiveness of China’s presence in Africa has been facilitated by the continent’s “closed markets,” which have generally tended to help offset Beijing’s “latecomer” status by permitting Chinese companies to gain from government influence (Alden 2007, 41). At the same time, the contention is that China—itself, a “closed country”—has an “authoritarian” edge over its Western counterparts, which leaves its leaderships impervious to “reputational risks” and public or shareholder pressure for “good corporate governance” (Obiorah 2007, 49). As an EU-diplomat quipped, “would the European development and aid community tolerate us operating like the Chinese” (in Vandaele 2008). Yet, some African commentators have questioned to what extent such criticism of China is driven by genuine concerns for African welfare or “the jealousy of [Western] competitors” (Chidaushe 2007, 117). Thus, the alleged lack of limitations on the Chinese willingness to get involved in “controversial” projects as well as the opaque workings of African states and markets have tended to assist Beijing’s agency on the continent.

Fourthly, the unprecedented growth of the Chinese economy has left at Beijing’s disposal significant financial resources. Usually, the spotlight of current attention
on the Sino-African relationship tends to fall on the lucrative financial packages that China seems prepared to offer for the right to access and develop the resources of African countries. Such deals tend to be funded by the Chinese Export-Import (Ex-Im) Bank—established in 1994 as a government-owned institution tasked to support the expansion of Chinese businesses overseas, whose portfolio is estimated to be nearly thirty times greater than that of its nearest rival (Alden 2007, 24). The availability of such financial instruments has allowed Beijing to speak of a period of ‘strategic opportunity’ for China’s international agency, unhindered by external constraints (Eisenman 2007). As a “non-status power” China has always had “problems in accepting limits to its international behavior” (Goodman and Segal 1995, 104) and its economic growth has bolstered Beijing’s independence in international affairs. The scope and impact of its multi-billion dollar loans and infrastructure projects have forced the World Bank to seek a cooperation agreement with Ex-Im Bank (Financial Times 2007c).

The complex interactions between the four principles outlined above underpin the emergence of the so-called “Beijing Consensus” in Africa. Ramo (2004, 3–6) identifies it in contrast to the “widely-discredited Washington Consensus:”

China’s new development approach is... flexible enough that it is barely classifiable as a doctrine. It does not believe in uniform solutions for every situation. It is defined by a ruthless willingness to innovate and experiment, by a lively defense of national borders and interests, and by the increasingly thoughtful accumulation of tools of asymmetric power projection... Change, newness, and innovation are the essential words of power in this consensus.

The appeal of the Beijing Consensus has assisted China to position itself as a viable alternative to Western models of development. African states have, therefore, come to view Beijing not merely as an “ally in a world where there is growing unease over... the patronizing attitudes of the West” (Chan-Fishel 2007, 139). It has also begun to be perceived as a successful alternative to Western models of development that not only ends African dependence on such assistance, but also allows African states the opportunity for geopolitical entrepreneurship. As Agninaldo Jaime, the Deputy Prime Minister of Angola, has declared, “China has an important role to play... But our policy is really to diversify” (Financial Times 2008). Likewise, the then Nigerian Foreign Minister, Bolaji Akinyemi insisted that the close relationship with China should not be a cause for Western concern, “it [only] insulates Nigeria from influence by one power” (in Obiorah 2007, 40). Such willingness to play off different international actors indicates the propensity for “triangulation”—a policy condition, when states are not dependent on one external patron, but can pursue relations with two (or more) external actors in search of a “better deal”—indicates that “the ‘Chinese option’ could also be exploited to widen the room for all African states, not only those abusing human rights” (Large 2007, 159).
To that effect, China finds itself amidst a dynamic set of “multidimensional approaches”—ranging from sub-state (municipal and provincial) and bilateral initiatives to broader projects for regional/multilateral cooperation—which both attest to Beijing’s “omni-directional” foreign policy strategizing and its ability to define and pursue its own objectives in Africa (Alden 2007, 27). The most significant of these initiatives has been the institutionalization of the Forum on China-Africa Cooperation (FOCAC), which epitomizes the regionalizing pragmatism of Beijing’s post-Cold War relations with Africa. Thus, contrary to Western expectations, where regional fora tend to challenge Westphalian notions of international order, China’s regionalization of Africa does not appear to hinder “the politics of exclusive national identity” (Teló 2007, 14).

The inaugural Ministerial Conference of FOCAC held in October 2000 in Beijing established this forum as a mechanism for multilateral dialogue, while the attendance of delegations from 44 African states showcased the loadstone of such Sino-centric platform. At the opening ceremony, the then Chinese President, Jiang Zemin (2000), proclaimed that “China [as] the largest developing country and Africa [as] the continent with the largest number of developing countries… [should] work together for the establishment of a new international political and economic order, responsive fully to the demands and wishes of all peoples in the world.” In this respect, the significance of FOCAC stems neither merely from China’s ability to bring together nearly all African countries, nor because of the amounts that Beijing pledges to invest in the continent.

Instead, the significance of these regular meetings is that unlike the Chinese involvement in earlier decades, FOCAC summits indicate Beijing’s lasting presence in Africa through the initiation of communities of shared practices. In particular, the “fear of over-asymmetric globalization” might aid the understanding of China’s regionalization as a strategy aimed at undermining the legitimacy of existing (Western-promoted) international order (Teló 2007, 6). In this respect, while deflecting criticisms of neocolonialism, Beijing insists that

The Chinese embrace is nowhere near as stifling as the frameworks offered by the World Bank, the IMF, and their political masters in the industrialized world. For us in Africa the challenge is to ensure that as China’s global power increases, its role in Africa does not become more and more like that we have experienced with the West. (Yao 2007).

Such claim seems confirmed by a statement by the Chinese Prime Minister, Wen Jiabao, who proclaimed that “no matter how our world may change, the friendly ties between the Chinese and the Africans will last” (Xinhua, 23 June 2006). African commentators recognize the significance of such “pragmatic cooperation,” too. For them both the statements by Chinese officials as well as their formalization through the China’s Africa Policy announced at the third summit of FOCAC in 2006 reflects the consistence of Beijing’s strategic interests and availability of mechanisms through which to achieve them (Chidaushe 2007, 109). At the same
time, the broader framework of the strategic China-Africa dialogue assists the cultivation of Beijing’s soft power in the continent. The following section illustrates the pragmatism and scope of China’s post-Cold War regionalization.

**Mechanics of a Chinese “charm offensive”**

In April 2008 global newswires were abuzz with reports of a nearly $10 billion contract between China and the Democratic Republic of Congo (DRC) (*BBC Newsnight* 2008). The announcement of an investment almost ten-times the size of the DRC’s 2007 budget seemed to catch off-guard Western financial institutions and mining companies (*Financial Times* 2007b). Described as the “biggest single deal” concluded by China in Africa, most reports seemed to impart a mixture of surprise, novelty, and anxiety—reactions that seem to underwrite most commentaries of China’s “charm offensive” in Africa. On the other hand, DRC’s embattled President Joseph Kabila has been praising the deal, stressing that “the Chinese are prepared to finance our Five Works (water, electricity, education, health, and transport). For the first time in our history, the Congolese will really feel what all that copper, cobalt, and nickel is good for” (in Vandeaele 2008). This confirms the underlying premise of China’s regionalization in Africa:

> Developing countries could make full use of international markets, technologies, capital, and management experience of developed countries to cut the cost of learning and leap forward by transcending the limits of domestic markets and primitive accumulation. (Ying 2002, 116)

In itself, the China-DRC deal bears all the hallmarks of China’s—already perceived as “classic”—“infrastructure-for-resources deals” in Africa: (i) competitive political advantage (the explicit willingness to work with any state); (ii) comparative economic advantage (the employment of a bidding strategy that does not always reflect market prices, but China’s huge economic reserves); (iii) development assistance (the recourse to symbolic diplomacy in the form of the construction of infrastructure and public buildings) (Alden 2007, 42). In the initial stages of such an “infrastructure-for-resources deal,” the Chinese investment in infrastructure is bartered for extracted resources (which largely remain untaxed until China either recoups its initial investment or completes infrastructural works). Consequently, a Sino-African joint venture (typically, one-third African-owned and two-thirds Chinese) continues the exploitation of the particular resource. As a rule, the investment is backed by the Chinese Ex-Im Bank, whose funding is funneled through Chinese firms, which execute the project (usually employing imported Chinese labor). Such “infrastructure-for-resources” deals have urged a number of commentators to doubt China’s ability to deploy “in the foreseeable future any effective soft power strategy that challenges the existing international order” (Li 2008, 308).
In the case of the China-DRC deal, the main resource are copper and cobalt, although concessions in nickel and gold are also stipulated (Financial Times 2007a). According to some reports, China would be allowed to extract 10 million tonnes of copper and 400,000 tonnes of cobalt (BBC Newsnight 2008). In fact, already in 2005, China was importing nearly 90 percent of the concentrates for its production of cobalt from the DRC (Chan-Fishel 2007, 145). The “proven resource” that the DRC government has presented as a guarantee for the Chinese investment is the Kolwezi mine, in the copper-belt province of Katanga (BBC Newsnight 2008). More often than not, however, the value of such “infrastructure-for-resources deal” is based on the “strategic needs” of China’s booming economy rather than market indicators (Eisenman 2007, 38). The Chinese ambassador to DRC, Wu Zexian, has acknowledged this approach by stating that “China needs many things… which is why we have adopted a policy of openness to the outside world” (in BBC Newsnight 2008). Such demand for African resources has led the Chinese Prime Minister, Wen Jiabao, to project that by 2010 Sino-African trade would surpass $100 billion—which would indicate more than a ten-fold increase within a decade (Financial Times 2008). In DRC, the practice of ‘resource-backed financing’ allows China to begin the construction of 3,200km of railway tracks; a 3,400km highway as well as an additional 250km of roads in and around the capital Kinshasa (including a ring-road); 49 distribution centers for portable water; 31 hospitals with 150 beds each; 145 health centers with 50 beds each; 20,000 council flats; four universities; and a parliament building (BBC Newsnight 2008). These projects are to be executed by a conglomerate of Chinese companies with already substantial experience in Africa—the China Railway Engineering Corporation, Sinohydro, and the Shanghai Pengxin Group. According to the China-DRC deal, for every Chinese worker these companies have to employ four Congolese; also there are clauses that 10 to 12 percent of the work should be sub-contracted to DRC companies and that a percentage of investment should be spent for the training of Congolese staff and transfer of technological know-how (Vandaele 2008).

Such complex investment package reflects the multidimensionality of Beijing’s pragmatic external relations in the post-Cold War period. In this respect, what the ideological dogmatism of Chinese foreign policy could not achieve seems to be delivered by the economic pragmatism of Beijing regionalization. The “overarching brilliance (rayonnement)” (Alden 2007, 35) of the incentives that Beijing is prepared to offer in order to gain access to Africa’s resources reflect the ability of such a massive “charm offensive” to convince African states that China can deliver the goods, which Western governments are either reluctant or unable to provide in the trouble-ridden, post-conflict countries of the continent (Hanson 2008). A DRC official confirms this by acknowledging that the unwillingness of Western actors to finance the Congolese government has left it “with no choice but to go to the Chinese” (in Vandaele 2008). In this respect, the Deputy Mining Minister, Victor Kasongo, has admitted that DRC finds itself in a situation where it “will do whatever’s necessary to keep the Chinese on board” (quoted in BBC
Newsnight, 2008). Most commentators, therefore, note that the political survival of President Kabila seems pegged to the success of this deal.

The mechanics of the China-DRC deal confirm the central position that Beijing’s “charm offensive” has carved for China’s regionalization of Africa. The appeal and effectiveness of its pragmatic approach reflects that “the Chinese have been remarkably successful at generating expectations. There’s almost a mythical sense that they are walking on water in Africa” (Financial Times 2008). In this manner, Beijing’s conditioning propensity, based on the seemingly limitless offer of “carrots” without “sticks,” seems to assist China’s strategic interests on the continent. It also indicates, Beijing’s careful—but forward—wading through the fluid contexts of world affairs.

In lieu of a conclusion

Currently, nearly 800 Chinese companies and close to a million Chinese are operating in Africa (Financial Times 2008). Such figures are indicative of the scale of Beijing’s regionalization. The concerns raised by some attest to the failure to historicize Chinese involvement in the continent and the realization that for the first-time in nearly 200 years a non-Western actor is doing what has traditionally been the property of Western agency (see Chapter 1). In this respect, there is nothing distinctively reprehensible or unprincipled in the alleged sinicizing of Africa, accept for its non-Western origin. Thus, by relying on a contextual assessment of China’s international agency this chapter offers a preliminary conceptualization of Beijing’s regionalization strategy in the continent. It suggests that the participation of African states in Chinese-promoted initiatives (such as FOCAC) exhibits China’s ability to effect communities of practice.

Thus, the emphasis on African development through regionalization indicates Beijing’s willingness to transform the international relations of the continent “from the unmitigated struggle for supremacy to a more cooperative form of inter-state relations” (Deng and Moore 2004, 118). Some have even argued that China’s growing ties with Africa have also encouraged other Asian countries to develop closer relations with the continent (Cheng and Shi 2009, 101). Moreover, Beijing’s projection of an identity independent of the West resonates with many in the continent—and not just with (authoritarian) African rulers (see Chapter 1). Thus, following Don Puchala’s inkling, China’s regionalization of Africa can be read as a non-Western narrative of emancipation—a project underpinned by the global politics of “regaining self-respect” through “‘resistance’, which means more than ‘standing against’ and something more like ‘ejecting, purging, and replacing’” (Puchala 1997, 131).

So, whither the “Chinese regionalization” of Africa? Many commentators continue to heed Martin Bailey’s (1973) observation that the Sino-African relationship is “a friendship between most unequal equals.” According to Brantly Womack however the PRC’s region-building in Africa is underpinned by the
practice of respect—respect, premised on Beijing’s experience with asymmetric relations. Thus, the practices of China’s diplomacy rest on the conviction that while capacities and capabilities impact the nature and process of interactions, “the larger side is rarely able to enforce its will unilaterally on the small side” (Womack 2008, 295).

It still remains to be seen whether Beijing’s regionalization of the continent would make possible the emergence of “a ‘United States of Africa’—under Chinese ‘prefectship’” (Karumbidza 2007, 102); however, one needs to keep in mind that “linear predictions of a manifest Chinese destiny may be flawed” (Kynge 2006, 34). In this context, the task, for policy-planners, analysts, and scholars of China’s international engagement (not only in Africa) remains ambiguous (Ong 2001). On the one hand, the complexity of African affairs is too precarious to simply be discarded. On the other hand, Beijing’s regionalizing propensity needs to be continuously re-assessed through the exposition of similarities and contradictions within its policy-discourse, and between this discourse and China’s other international practices. Thus, the survey of China’s involvement in Africa through regionalization acknowledges that Beijing’s engagement in the continent intends the introduction of a framework of predictability that allows it to make feasible calculations about future intentions.
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Chapter 14
China and Latin America: An Evolving Military Dynamic
Julie M. Bunck

Introduction

The post-Cold War era has been marked by enhanced attention to regions: the integration of regions, the keeping of order within regions, the relations between regions, and the regional focus of foreign policies. The People’s Republic of China (PRC) has been a key actor in this new regionalism: its growing strength and influence apparent not only in Northeast Asia, South Asia, and Southeast Asia, but in Africa and the Americas. This chapter focuses on the PRC’s economic and military relations with the Latin American region. When did China turn its attention to Latin America? How have states within the region responded? What aspects of preexisting regional order have been threatened or displaced by China’s new regional focus? Does this evidence that China is leading an emerging community of practice or is succeeding in socializing Latin American states—that is, persuading key actors within the region to adopt Chinese perspectives?

As part of its broad efforts to reach out, simultaneously, in many directions, over the past decade, the PRC has increased dramatically its economic ties with Latin America. China has also sought to strengthen its political linkages to the region in order to gain support among South and Central American governments to counter US-led accusations of human-rights abuses in China and Tibet. The PRC is also aiming to gain official recognition for its “One China” policy and multiply its diplomatic relations by luring the region’s governments away from their prior recognition of the Republic of China (Taiwan).

Those investigating China’s influence on communities of practice and socialization thus have much to ponder with respect to recent Chinese activities in this important region. Over the past decade and a half China has also markedly enhanced its military ties to Latin America. This effort to forge an identity and set of common practices with the states of Latin America could seriously challenge the longstanding hegemony of Washington in the region. It could also adversely affect relationships between the USA and China and the USA and particular countries in South and Central America. China’s military influence could harm the Latin American states themselves if the consequences of its presence in the region mirror those of other foreign militaries that have become involved in prior eras. As one scholar commented, China’s intervention could bring “more of the same”
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adding to social injustice, external dependency, unemployment, natural resource exploitation, and unequal distribution of resources.

This chapter examines a set of interregional relations that merit more scholarly attention than it has hitherto received. It presents an overview of China’s growing links to Latin America over the past decade with a particular focus on the measurable and potentially significant jump in military ties. What has been China’s regional approach, including its goals, in Latin America? What are its military objectives? What might this mean for the Latin Americans? How have they responded, and how has the USA responded to the extensive activities of a new actor in the neighborhood? What might be the long-term consequences of considerably enhanced Chinese military cooperation with these governments? Is China’s regional approach likely to transform particular aspects of Latin American politics? What does this tell us about the concepts of communities of practice and socialization, which are central to this volume?

Economic ties

For many years China’s relations with Latin American states was quite limited. The Chinese tended to view the region as not especially significant economically and politically, and too distant to become central to Beijing’s own policies and objectives. Throughout the 1980s and early 1990s trade remained modest. In 1992, for example, trade between China and the states of Latin America had reached a mere $2.77 billion. Chinese exports to all of Latin America accounted for only a paltry $1 billion (Zhang 1993, 10; Jinzhang 2008).

The dawn of the post-Cold War era heralded important changes. Beginning in the late 1980s and continuing through the next decade, certain key factors stimulated rapid change in the economic and political relationships between China and many Latin American countries. First, a lackadaisical attitude of benign neglect toward Latin America on the part of Washington left a political and economic opening that the PRC could fill with its own regional approach. Also, the conflicts in Nicaragua, Guatemala, and El Salvador petered out; the drug war proved to be unwinnable; and even the Canal reverted to Panamanian ownership and management. The Persian Gulf War and subsequent distractions in the Middle East, Yugoslavia, Somalia, and Haiti pushed Latin America to the margins of the US policy agenda. At the same time, growing political stability and steady economic growth, along with a dearth of major crises, meant that the USA often focused on other regions.

By the time the Soviet Union disintegrated, most of Latin America had also taken steps toward adopting sweeping economic reforms, including liberalization and privatization. There had been widespread efforts to curb inflation and fiscal deficits and to open regional economies. By the mid-1990s several Latin American countries, including Brazil and Argentina, experienced remarkable economic turnarounds. For the most part, these were sustained over time. Between 2004 and 2008 economic growth across the region averaged 4.3 percent. In 2006 alone,
15 million people living in Latin America were lifted out of poverty (Varas 2008). From China’s perspective, these favorable economic conditions, coupled with the availability of valuable resources, provided real opportunities during the PRC’s own period of unprecedented economic expansion. Furthermore, China’s membership of the WTO brought on additional possibilities (Jenkins et al. 2008, 236).

As China accelerated toward its current status as the world’s fourth largest economy (in terms of GDP at official exchange rates), the government initiated an aggressive omni-directional regional effort to secure resources to feed the Chinese economy’s immense appetite for raw materials (Jenkins et al. 2008, 235). With 1.3 billion people and a growth rate hovering around 9 percent in the late 1990s, China rapidly became the world’s second-largest consumer of petroleum (Hearing Before the Subcommittee 2005, 2), using roughly 7.9 million barrels a day by 2008 (CIA 2009). Middle East instability provided yet another impetus for China to diversify its oil imports and turn to other suppliers, including Mexico and Venezuela. But, oil was only one aspect of developing regional relationships. Even non-oil-producing states signed numerous bilateral trade agreements with the PRC, regularly hosted Chinese officials, and periodically dispatched their own trade representatives to China (Xinsheng 1998, 10–12). One can thus see here clear indications of an emerging community of practice characterized by joint undertakings, mutual engagement, new common practices, and the passage of important resources in both directions.

Diplomacy furthered regional initiatives. As diplomatic ties grew, leaders on both sides undertook missions to strengthen personal and institutional relationships. Thus, April 2001 marked a milestone in China-Latin American relations when President Jiang Zemin spent nearly two weeks touring the region. His successor, President Hu Jintao, visited Brazil, Chile, Cuba, and Argentina in November 2004 and signed more than 400 trade agreements and business accords with Latin American governments (Hearing before the Subcommittee 2005). Vice President Zeng Qinghong made a third official visit to Latin America in March 2005, and by this point security issues had been added to the agenda of economic concerns. The 2005 visit thus reflected, in part, the PRC’s widely publicized 2004 defense report, which heralded a new foreign-policy approach that emphasized playing a more aggressive role in shaping the international environment, region by region, to serve more effectively China’s interests. The report noted that China sought to “safeguard the interests of national development, promote economic and social development... and steadily increase the [country’s] overall national strength” (Lettieri 2005). It discussed China’s need to secure raw materials, develop new markets, and protect foreign investment.

China then moved quickly to secure access to commodities, energy sources, and mineral resources as well as to markets through which its manufactured products might be sold. In pursuing these goals, China in a relatively short period of time came to rely heavily on Latin American supplies of vital raw materials. According to the Economic Commission for Latin America and the Caribbean (ECLAC), the
export of raw materials to China from the region grew rapidly. Between 2000 and 2003, for example, Brazil’s exports to China increased by 500 percent, Argentina’s by 360 percent, and Chile’s by 240 percent. But even these impressive figures were dwarfed by rising Mexican exports to China, including both commodities and manufactured goods, which jumped by more than 1000 percent during this same period (OECD 2007, 11). The vast bulk of these exports were commodities. In the case of Brazil, commodities, particularly soybeans, came to account for 75 percent of its exports to China (McCarthy 2009). Likewise, a single commodity, copper, rose to comprise most of China’s imports from Chile and Peru (McCarthy 2009; Jenkins et al. 2008, 237), and since 2005 both countries have registered trade surpluses primarily as a result of surging copper exports to the PRC (OECD 2007, 11). Indeed, today, raw materials constitute more than 75 percent of all Latin American exports to China (Williams 2008; Machinea 2005), and trade between China and Latin American countries increased to more than $140 billion by 2008 (Hearing before the Subcommittee 2005).

In their aggressive focus of regionalization, the Chinese are also now implementing an assertive investment strategy for Latin America. In 2004, to ensure ready supplies, the Chinese pledged to invest more than $400 million in Venezuelan oil and gas reserves (Hearing before the Subcommittee 2005). Clearly, however, Beijing wants more than simply to import this oil. The PRC has also sought to control key aspects of drilling, refining, and exporting. The Chinese have thus invested heavily in Venezuela to ensure adequate control over the oil-extraction process (Caverly 2002, 324). In 2004 Hugo Chavez agreed to allow the Chinese to produce and export more than a billion barrels a day, a very large percentage of the total 2.7 billion barrels that Venezuela exports daily. In addition, Chinese firms have invested in gas exploration, and the two countries are exploring ways to improve the movement of oil to Pacific transfer points, including building a deep-water port or a pipeline through Panama (Hearing before the Subcommittee 2005, 53). In this way China’s outreach to one key actor within Latin America established a community of practice that others within the region hurried to join in a bandwagon effect.

The PRC thus moved swiftly and decisively to embrace new partners elsewhere in South America as well. China has invested $1.17 billion in helping Brazil to develop oil pipelines, up to $7 million in road, railway, and port construction and has pledged to invest an additional $10 billion over the next two years. It has also committed an undisclosed sum for a joint venture to enhance the country’s airlines industry and has promised to buy at least ten Embraer aircraft. In 2002 the PRC ranked as Brazil’s seventh largest export destination, then, within a single year, it had leapt to third place. By 2009 the PRC had eclipsed Argentina as Brazil’s second ranking export destination (Hearing before the Subcommittee 2005, 54). A similar progression occurred in Chile where the PRC is now Chile’s the number one trading partner, relegating the USA to second place (Carroll 2008).

China has also invested heavily in Argentina. Five years ago China pledged nearly $20 billion of investments in roads, construction, communication, energy
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development, and satellite technology. Moreover, the Chinese have vowed to invest in oil exploration, and they have already substantially increased PRC imports from Argentina (Hearing before the Subcommittee 2005, 54). According to one report, China may now account for as much as 40 percent of total foreign direct investment (FDI) in the region (Horta 2007).

As the saying goes, “it takes two to tango,” and China’s regionalization policies toward Latin America raise the question of why exactly regional states and other actors have agreed to participate. Many Latin Americans have, in fact, responded enthusiastically to China’s sharply increased demand for the region’s commodities. They hope that increased exports and FDI will help to develop their historically unstable economies, attract investment without the strings attached by western countries, and diminish their dependence on the USA Certain leaders look to the Chinese economic model and its “Beijing Consensus” (Ramo 2004). Between 1999 and 2007 trade between China and countries of Latin America increased by a multiple of nine. China’s imports from Latin America grew more than eightfold, while its exports more than tripled.

A “community of practice,” may be developing in which the countries of Latin America and the PRC have moved to consolidate their shared and individual objectives into one broad roadmap. This web of complex economic relationships is characterized by joint enterprises, mutual engagement, and continual efforts to refine and reform periodically the overall cooperative relationship. While the developments found, to date, in the post-Cold War era are quite significant, the likely trajectory of Chinese-led regionalization remains uncertain, particularly given such wildcard factors as the current global economic crisis. Whether this will open new possibilities or cause retrenchment as priorities are reordered again remains to be seen.

China’s political goals in Latin America

Another important aspect of China’s multidimensional foreign policy involves its efforts to bring other states to follow beliefs and practices reflective of the PRC’s position on matters essential to its security. An instance of this pattern is the “One China” policy which provides an important framework for China’s involvement in Latin America. Of the 23 countries that today recognize Taiwan as an independent state, twelve are Latin American or Caribbean countries: Belize, Haiti, El Salvador, Costa Rica, Guatemala, Paraguay, Nicaragua, Honduras, Panama, Dominican Republic, St. Kitts and Nevis, and St. Vincent and the Grenadines. Since 1949, the PRC has projected its view of Taiwan as a renegade province that must be brought back to its proper place under Beijing’s authority.

One of China’s most effective tools in its attempt to isolate and undermine Taiwan is to link its economic assistance to the diplomatic conditionality of the “One China” policy (Li 2007, 839). The PRC has offered significantly more lucrative trade agreements to states that support Beijing’s stance. Thus, according
to a 2004 Congressional Research Report on China, “Dominica severed relations with Taiwan after Beijing trumped Taiwan’s $9 million in assistance with a pledge of $122 million in assistance to the tiny country over six years” (Lettieri 2005). Likewise, Grenada switched allegiance in 2005 when China offered foreign assistance that equaled $1500 for every Grenadian. In 2007 Costa Rica followed suit after China offered it an enticing deal. In this respect, “Latin America and the Caribbean have been a major battleground of the ‘foreign policy war’ between Taiwan and the PRC over international legitimacy and recognition” (Li 2005, 77).

Once again, China has devised a regional game in which all players can gain—in some cases quite considerably—by making choices regarding their long-term economic and political relationship with China. This also illustrates clearly an attempt on the part of the PRC to socialize Latin America leaders by encouraging them to think about long-established values and attitudes in different, perhaps even non-Western, ways (see Chapter 1). Thus, China has challenged the preexisting norms, institutions, and practices of regional order.

In particular, the PRC has attempted to gain regional support to respond to US-led human-rights campaigns that specifically target the Chinese regime. There is fertile ground here to transform the prior order since Latin Americans have long contended that pointing to human rights concerns should not justify American interference in domestic affairs (Li 2005, 79). Over the years China has been outspoken in defense of Cuban and Venezuelan human-rights records. In return, these countries as well as others across the region have provided crucial political support for China in the UN and other international fora. China’s energetic effort to socialize the region’s leaders by inviting them to think about human-rights-issues in ways that radically depart from traditional liberal definitions.

To date, ideology has historically played less of a role (than might be expected) in shaping China’s relationship with Latin America. It is true that in the early 1960s, ideology certainly attracted the Chinese to Cuba. Cuba and the PRC briefly courted one another, exchanging diplomats, signing trade and cultural agreements, and defying the Soviets by refusing to sign the 1963 Nuclear Test Ban Treaty. Fidel Castro himself and a small group of fellow revolutionaries traveled to China in the early 1960s, a trip that received extensive international press coverage. By 1966, however, the relationship had soured. Partly in response to Soviet insistence that Castro choose between the Soviet Union and China, the Cuban leader accused the Chinese of breaching an agreement to deliver a rice shipment. Over the course of the next several decades ties between Cuba and the PRC remained frosty. Much of the rest of Latin America almost wholly shunned the Chinese until the early 1970s when both Mexico and Chile formally recognized the PRC and established diplomatic relations. As the influence of China in world affairs began to grow, little by little other states across the region followed their lead.

China, however, did not make any concerted effort to establish ties in the region until the late 1980s. And, at first, Beijing moved to support the US-backed Contras, not Daniel Ortega’s Marxist government, in the Nicaraguan civil war. Here, China seized upon an opportunity to undercut the growing Soviet influence in the region,
while trying to increase its leverage on the Taiwan issue. Contra leader Adolfo Calero had promised China that, should the Contras win, the new government would recognize the PRC and break diplomatic relations with Taiwan. However, when the Sandinista government responded by recognizing China in December 1985, the Chinese government terminated its Contra support and rewarded the Sandinista government with a loan of approximately $19 million (Hickey 1989, 115–122). What is striking about this incident is that, in the latter stage of the Cold War, China’s goal to undercut recognition and support of Taiwan across Latin America actually trumped ideological considerations.

Today, however, the coming to power of left-wing regimes overtly hostile to the United States in Venezuela, Bolivia, and Ecuador (and to a lesser extent Argentina, Brazil, Nicaragua, and El Salvador) has presented new opportunities to China. It is true that, at this time, economic ties between China and these countries have remained quite limited. For example, in 2009 the countries with the most decidedly leftist governments—Bolivia, Venezuela, and Ecuador—ranked among the Latin American countries with the weakest economic links to China. Likewise, Argentina, now governed by a left-leaning government, accounts for a smaller share of total exports than Brazil, Chile, Cuba, and Peru. In 2005 even Costa Rica had more exports to China than did Argentina. Despite their earlier strained relations, Cuba stands out as the exception. Within the region, the poorest country and the most decidedly leftist, Cuba accounts for slightly more than 13 percent of total imports from China and 10 percent of exports to China (Jenkins et al. 2008, 239).

In the early twentieth century US-policymakers in the Taft Administration frequently declared that influence follows the dollar. In the early twenty-first century the grand strategy of China to extend its economic and military influence into Latin America seems to proceed along different planes. Thus, despite generally weak economic relationships, the region’s left-leaning governments have been eager to forge stronger military ties to China. While scholars have focused extensively on China’s expanding role in trade and FDI (Li 2007, 833–862; OECD 2007) and on the political and economic rivalry between Taiwan and the PRC across the region, they have largely overlooked the growing military connection between China and the region. In part, the reason is that China has proceeded to strengthen its military ties cautiously and carefully so that its regional activities are not interpreted by Washington as an unwelcome intervention. Chinese policymakers are well-aware of the nearly two-centuries-old Monroe Doctrine, its implications, and America’s tendency to guard the hemisphere jealously against intervention by foreign powers (Watson 2007). Nevertheless, in recent years the Chinese have moved quickly and subtly to increase their military ties with the region in a bid to change the US-dominated paradigm that has characterized the Latin American security architecture since World War II.
Military ties

As suggested, China’s regionalization policy has aimed to fill a power vacuum in Latin America. In particular, since the mid-1990s Washington has scaled back considerably its relationship with many Latin American militaries for a number of reasons. Firstly, the end of the Cold War marked an important shift in US-security priorities away from developing armed forces in Latin America. Furthermore, in several major Latin American countries the military retreated considerably from political and economic affairs: this was viewed positively by Washington and reinforced the scaled-back military assistance. Finally, the negative publicity that emerged with respect to the human rights records of some militaries and the controversial role of the School of the Americas triggered a reduction in military training programs.

In response to this American withdrawal, China set out to establish itself as a central player in the defense and military education across the region. The training of Latin American military officers in China’s People’s Liberation Army (PLA) academies has increased considerably. Until only a few years ago, Latin American officers seldom received military training in China. Within the last decade, more than 100 officers from more than 12 countries across the region have graduated from PLA academies (Horta 2007). According to reports, this training ranges from “courses at the grand-strategy level to short courses for junior officers and specialized education in artillery, engineering, logistics, intelligence and communications” (Horta 2007).

Perhaps more important, China is also deeply involved in educating upper-echelon Latin American military officers. These officers, who are trained at the National Defense University of China (NDUC) in the Changping district of Beijing, attend intensive four- or five-month courses on grand strategies. Officers from all services, from the rank of lieutenant-colonel to major-general, have attended these annual courses. Not only have countries hostile to the United States, such as Cuba or Venezuela, sent regular participants in these courses, but officers from countries with long-established close ties to the USA, such as Colombia, Chile, and Mexico, have also participated (Lettieri 2005).

At the same time, China has sent a number of officers to train at Latin American institutions, including, most notably, at the Chilean War College. In exchange, Chile initiated a program in which Chilean officers travel to the NDUC to study Mandarin Chinese. According to the Chilean Army’s website, the purpose of these language courses is to educate military personnel on “cultural aspects of China: fundamental speaking and writing skills; grammar and comprehension necessary to achieve fluid communication” (Lettieri 2005). China has also sent officers to be educated in Brazil, Chile, Argentina, Venezuela, Cuba, and Mexico. This new presence of China in the educating, training, and socializing of Latin American military officers opens the doors to a broad array of opportunities for shaping the attitudes, beliefs, and practices of the Latin American militaries and undermining an American ethic that has long dominated the thinking in most of these military
establishments. Thus, the building of regional links between militaries very much challenges the preexisting order.

In addition, China and the governments of Latin America have, in hitherto unprecedented fashion, hosted a number of exchanges of high-level military officials. In 2001 and 2002, according to a PLA website, nine military officers from different Latin American countries visited Beijing. The following two years the number increased to 15. In 2005 alone Chinese military officials made more than 20 visits to Latin America and the Caribbean, and nine Latin American defense ministers and numerous military officials visited Beijing during the same time period (Hearm, 2005; Lettieri 2005; Hearing before Subcommittee 2005).

In 2004, the Chinese Defense Minister Cao Gangchuan traveled to Brazil and the Vice-Chairman of the Central Military Commission, Xu Caihou, visited Cuba. In 2006 China sent military delegations to Chile and Colombia. The director of the PLA’s General Political Department visited Venezuela and Argentina, and PLA officers made “goodwill” trips to Cuba and Mexico. In August of the same year, the PLA’s Deputy Chief of Staff, Zhang Li, noted, in discussing Argentina, that “the ties between the two militaries are an important part of the bilateral relations of the two countries” (Lettieri 2005). In the last two years the number of exchanges between China and Brazil, Venezuela, Argentina, Chile, and Colombia have continued to increase quite rapidly. For instance, in August 2006 the Bolivian Defense Minister Walker San Miguel Rodriguez visited Beijing for a week. A month later the Uruguayan Army Commander Lieutenant-General Carols Diaz and Naval Commander Admiral Juan Heber Fernandez Maggio traveled to China. The following April, Bolivia’s Minister of Defense spent a week in China. Chile’s counterpart followed a month later (Horta 2007). These visits have continued steadily. Since the last 1990s, at least one high-level Chinese military official has visited Venezuela annually (Brooks 2005; Hearing before Subcommittee 2005).

Thus, China is effectively networking in militaries across the region, developing relationships, promoting common bodies of knowledge, and even fostering linguistic and cultural understanding.

The new regionalism, put into effect in the foreign policies of the states concerned, has resulted in China educating and socializing Latin American military personnel. The mutual effort aims to create a new regional culture that views the United States as only one of a number of central players. If sustained, this initiative will bring about pivotal changes in the region. In developing new norms regarding appropriate military behavior and acceptable human rights standards, Beijing will have succeeded in challenging the hegemonic position of Washington in the region. Of immediate importance over the last five years is the leap in the provision of Chinese military supplies and equipment, including even arm sales, to Latin American states. China’s push to enter the Latin American military market marks a sharp change from past practices. Consider the case of Venezuela. In 2001 China offered the Hugo Chavez government FC-1 fighter jets and training aircraft. Chavez also signed deals with Beijing to purchase long-range defense radar systems and a modern communications satellite, which should become operational
in 2009. In August 2005, then Venezuelan Defense Minister, Orlando Maniglia agreed with Qu Huimin, vice-president of China’s state-owned Electronics Import and Export Corporation, to purchase three Chinese JYL-1 mobile air-defense radar systems. The contract provides for radars, a complete command-and-control center, technological assistance, spare parts, and leased access to satellite communication equipment and networks (Hearn 2005). At least two of the radars will replace U.S.-made models. These contracts, which cost a mere $150 million, will further weaken Venezuela’s already almost extinct military relationship with the United States and increase Venezuelan dependency on Chinese technology (Horta 2007).

Perhaps the most troublesome arms transfer involved China’s replacing 38 Chinese-built HN-5 shoulder-launched air-defense missiles that had reportedly been confiscated by the Central Intelligence Agency (CIA) from the Bolivian army (Horta 2007; Washington Times 2006). The US government is especially concerned about the HN-5s because they have been one of the principal weapons used by the Revolutionary Armed Forces of Colombia (FARC), the narcotics-trafficking guerrilla insurgency, to bring down US-supplied helicopters operated by the Colombian military. The effectiveness of these Chinese missiles in shooting down helicopters prompted the CIA to remove them from Bolivia (Horta 2007).

Some experts have predicted that, with time, Venezuela will begin to buy large stashes of weapons directly from China. Recently, Chavez stated publicly that he was considering a move to start buying arms from either China or Russia because the USA had blocked Venezuelan efforts to acquire spare parts for their American-supplied planes. Any effort to project the future of this military relationship must take into account as well the new communications satellite, soon to be launched from China, that could provide both Venezuela and China enhanced intelligence-gathering capabilities (Hearn 2005).

While thus far the sale of advanced Chinese weapons within the region has been confined to a small number of target states, other military material has flowed much more widely and generously. Since President Evo Morales came to power in 2006, China has contributed significant amounts of non-lethal logistical military equipment, ranging from trucks and jeeps to engineering supplies, from combat gear to medium-range artillery and assault rifles. China has supplied various countries with uniforms, tents, field kitchens, anti-riot and paramilitary equipment, communication gear, and side arms. In 2007 China provided a number of river patrol gunboats to the Bolivian Navy. Likewise, China provided Ecuador with material to build military bridges and air-defense artillery (Lettieri 2005). This might be seen as China’s effort to build relationships that might bring future arms sales.

The Chinese initiatives have affected intelligence matters as well. For instance, the PRC has signed a number of cooperative aerospace contracts with Brazil. The two countries jointly built and launched two earth-research satellites—China-Brazil Earth Resources Satellites (CIBERS-1 and CIBERS-2)—with two more coming this year. Although the CIBERS lack significant military utility, according to a US Army War College report, they did help the Chinese develop enhanced real-time
digital photo technology, which could provide a more “comprehensive picture of the flight paths of US-satellites” (Hearn 2005). Likewise, US-intelligence suggests that China is relying on critical Signals Intelligence (SIGINT) eavesdropping facilities in Cuba to intercept US communications. The SIGINT facilities, built with Soviet technology during the Cold War and located in Bejucal, south of Havana, continue to have the capacity, according to Rogelio Pardo Maurer, former Deputy Secretary of Defense for Western Hemisphere Affairs, to disrupt critical US strategic communications and gain access to US computer data traffic and civilian telephone conversations (Lettieri 2005). Pardo Maurer thus argues that, while Chinese activities in the region do not threaten the USA in any way at the moment, they warrant continued attention (Hearing before the Subcommittee 2005). This is particularly the case if placed within the context of the broader Chinese regionalization policy and its efforts on a number of fronts to develop new communities of practice and to further socialization along lines favorable to Chinese perspectives and policies.

Significantly, then, Peru and China have also strengthened their military bonds. In an agreement signed almost ten years ago China pledged to deliver $1 billion in military assistance and $740,000 worth of military supplies, including buses and ambulances. A December 2004 agreement extended the military exchanges through 2009, ensuring that Peru will receive another $740,000 (Lettieri 2005). This further illustrates that China’s regional military strategy involves building ties of various types with multiple countries in different parts of the region. While the relationships are still young and may be sidetracked or obstructed by regime changes, ideological differences, or perceptions of Chinese meddling, they are sufficiently extensive and dynamic that they have started to change the preexisting order in the region. The PRC’s objective to create communities of practice by sharing military goals and strategic objectives with the states of Latin America (and in the process develop new norms of behavior the region) remains at an early age, yet has progressed smoothly.

It must be emphasized that particular states in the region have welcomed these Chinese initiatives since they are nicely aligned with their own objectives and policies. For instance, the recent radical policies adopted by Venezuela’s Hugo Chavez have marked an abrupt effort to break traditional relations with the US in military as well as other affairs. Thus, in 2004 Hugo Chavez ended the 35-year military relationship with the United States, which included Special Operations training. At the same time, the Venezuelan regime started to court the Chinese. Chavez rejected US-military assistance and denounced American weapons sales. For its part, Washington has grown more critical of Chavez’s objectives and policies. “Venezuela’s president,” Cynthia Watson (2007), former associate dean of the National War College, wrote, “wants to achieve autonomy from Washington... and delights in taking highly visible steps to call attention to any ties with a foreign military that are likely to upset Washington. Beijing wants to open better relations with militaries throughout Latin America with Venezuela currently the easiest to engage.” A prime consequence of the souring of the Venezuelan-
American military relationship is that China has had to do remarkably little to gain a foothold in the country. PLA involvement, according to Watson, “is as much a result of Chavez’s actions as those of Beijing. Instead of China having to assert greater PLA diplomacy, which risks it being perceived aggressive, it is taking advantage of a set of conditions simply handed to it by the United States and by the Venezuelan leader” (Watson 2007).

Another recent development that has weakened US-ties to Latin American militaries and worked to create the regional void into which China can step is the American Service-Members’ Protection Act (ASPA), passed by Congress in August 2002. The ASPA seeks to protect US military personnel and elected officials “against criminal prosecution by an international criminal court to which the United States is not party.” This law, designed to ensure that American citizens will not be put on trial at the International Criminal Court (ICC), also prohibits federal, state, and local governments and agencies from extraditing any person from the US, or providing classified national security information and law enforcement information to the ICC. It also bars American assistance in conducting ICC investigations of an American citizen, and it prohibits US-military aid to countries that are parties to the ICC unless they are NATO members, major non-NATO allies (such as Taiwan) or countries that have signed the so-called “Article 98”-agreements, which prohibit them from delivering US-nationals to the ICC. Thus, the Pentagon has already been compelled to ban military aid to eleven Latin American states that refused to agree to exempt US-troops from the ICC. ASPA, thereby, weakened considerably the cooperation between a number of Latin American militaries and that of the United States (Hearn 2005).

Conclusion

What, then exactly does China want? What is the trajectory of its relations with countries in the region? From the Latin American perspective, strengthening cooperative relationships with Beijing may help officials to avoid the frustrating conditionality that characterizes their links with the USA. The governments of South and Central America have long searched for alternative sources of trade and investment. In this respect, China’s 2004 pledge to invest $100 billion in the region over ten years appears to offer just that. If brought to fruition, these investments will help to develop better port facilities, enhanced infrastructure, advanced energy projects across the region. Thus, from the Latin American perspective, China’s growing presence is frequently perceived as establishing more balance, less dependency, and an alternative model of community from which both the Chinese and the citizens of Latin American can benefit.

At the same time, certain skepticism might be in order for Latin Americans. The PRC’s regionalization policy will undoubtedly bring markedly enhanced Chinese influence, and this may be for the worse as well as for the better. In the long-run Beijing’s economic presence could turn out to be, on the whole, negative—
undermining domestic producers, driving down the price of commodities, creating new forms of dependency. Furthermore, a secondary, but still significant, goal of Beijing is to secure diplomatic recognition for its “One China” policy and to marginalize Taiwan. Latin American involvement in this intra-Chinese dispute could have negative consequences, too, particularly since Taiwan has also had a notable economic presence in the region.

From the perspective of the United States—historically, the unchallenged regional hegemon—some American officials and scholars have dismissed China’s diplomatic and military activities in Latin America as negligible. Many in academic and government circles have not viewed China’s policies as threatening to the existing order in the region. One commentator declared that “China’s interest in establishing deeper political or military ties appears to be quite limited” (Williams 2008).

Chinese diplomacy has worked to buttress this point of view. PRC officials have consistently insisted that they have no long-term goals to establish close military relationships or to undermine in any way Latin America’s move toward democratic governance. Thus, Thomas Shannon, the former US Assistant Secretary of State for Western Hemisphere Affairs, noted in 2006 that China’s military engagement in Latin America has remained limited and, in his view, largely inconsequential as “China is not selling major military-weapons systems in the hemisphere.” In fact, Washington has viewed favorably PRC’s engagement in the region—for instance, China’s decision to deploy 134 riot police officers in Haiti as part of a UN peacekeeping mission (Johnson 2006).

In this respect, it has to be acknowledged that Beijing’s sway in Latin America still trails that of Washington. For instance, the USA remains the largest single supplier of military equipment to the region. Today, American trade with Latin America outstrips that of China by more than ten times. Moreover, the USA and China share a number of common goals in the region: reducing corruption, strengthening infrastructure, countering political instability, improving the administration of justice, and curbing high levels of violence and crime. Thus, one might well emphasize opportunities for cooperation as well as risks of growing hostility linked to regional competition (see Chapter 7).

Thus, China’s interest in establishing a stronger, multi-faceted presence in the region has continued to grow. Latin America is still not the focus of China’s most important international goals. Plainly, Beijing’s economic stakes in Asia and Africa are more important to it. Both regions are considerably closer to Beijing, and the potential long-term economic gains are greater. Nevertheless, given Washington’s preoccupation with the Middle East, Venezuela’s attempts to woo PLA-cooperation, and the potential long-term interests in stronger Chinese-Latin American military ties, opportunities exist for China to significantly increase its presence in the region, and the PRC has already moved to take advantage. At the same time, cognizant of American attitudes, China has proceeded cautiously with its regionalization of Latin America.
As the case of Latin America reveals, China has adapted a strategy “for the developing a world [that] seeks to expand the scope and depth of its relationships, primarily as a means to secure access to natural resources and markets” (Lettieri 2005). More broadly, China also seems to be maneuvering toward realization of a larger plan—a “grand strategy,” in the words of Peter Brookes. China is certainly on the move, acting on many foreign policy fronts simultaneously by putting into operation its different regional strategies. Some believe the ultimate objective is sweeping. According to Brookes, Beijing’s “opportunistic” foreign policy seeks to assert its influence over the international system and ultimately to challenge the US for global preeminence (Brookes 2005). Certainly, Chinese power is growing, a consequence of rapid economic expansion, political stability, and an enhanced military capability that draws on the world’s second largest defense budget. The Chinese government is thus searching for ways unobtrusively to build an interactive community in the Latin American neighborhood and to exploit dissatisfaction with the United States wherever possible. The perception is that “once China has gathered as many allies and friends as possible, and developed its economic and military strength to near that of other major powers, it will be able to challenge the United States directly if necessary” (Brookes 2005; Lettieri 2005).

Certainly, over the past decade the United States has quite conspicuously weakened its ties to the region’s armed forces and withdrawn considerably from regional political and military affairs. Furthermore, the American Service-Members’ Protection Act of 2002 dramatically undermined the relationship between the USA and the armed forces of a number of major Latin American states. This Act, coupled with a more general diminishing of cooperation and joint training operations between the US-armed forces and those across the region, has created a military void in the region. This opportunity Beijing has been perceptively recognized and seized.

Thus, a retreat on the part of the United States, the emergence of left-leaning military leaders across the region, and an aggressive, penetrating policy on the part of the PRC have all contributed to early successes in China’s effort to forge communities of practice and establish far-reaching socialization mechanism across a region of the world in which China would seek to play an enhanced defining role.
Chapter 15
China and South Pacific Regionalism: The Rising Power as a Cautious Newcomer
Jian Yang

Introduction

Regionalism is not new to the South Pacific. The involvement of China in the region, however, is of a fairly recent provenance. It is widely accepted that Chinese influence in the region has increased rapidly. Beijing’s engagement has provoked concern among some Western observers. Against this background, this chapter grapples with the implications of China’s involvement in South Pacific regionalism.

This investigation will start with a discussion of China’s involvement in the South Pacific. It will then look at the development of South Pacific regionalism followed by an examination of Chinese participation. The chapter then analyzes the possible trajectories of Beijing’s involvement in South Pacific regionalism. This study indicates that while China has not been a leader of South Pacific regionalism, its influence is set to grow. In this respect, the chapter argues that instead of seeking dominance at the expense of Australia and New Zealand, China is more likely to cooperate with the two regional powers for the foreseeable future.

Chinese involvement in the South Pacific

The South Pacific region is a huge area stretching 17,000km longitudinally from Australia and Papua New Guinea (PNG) in the west to South America in the east, and 7,000km latitudinally from the equator to the Antarctic Ocean (Thakur 1991). There have been two key regional organizations in the South Pacific—namely the Pacific Community (PC, formerly known as the South Pacific Commission) and the Pacific Islands Forum (PIF, formerly known as the South Pacific Forum). While the PC consists of 22 members including colonial territories, the 16 members of the PIF are either sovereign or self-governing states. Since China’s regional interactions in the South Pacific are mainly centered on the PIF, the term South Pacific used in this chapter mainly refers to the 14 Pacific island countries (PICs) in the PIF excluding Australia and New Zealand. These 14 PICs are the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Nauru, Niue, Palau, PNG, Samoa (known as Western Samoa before July 1997),
the Solomon Islands, Tonga, and Vanuatu. The Cook Islands and Niue are self-governing states in free association with New Zealand. The other 12 PICs are fully independent sovereign states and member states of the United Nations.

The above definition of the South Pacific may be different from other publications cited in this chapter. Scholars have also used terms such as *Southwest Pacific*, *the Pacific*, *the Pacific states* and *Pacific islands* to refer to the South Pacific. Some analysts use *Oceania* for a similar purpose. However, the term *Oceania* often includes New Zealand and sometimes Australia and even Indonesia. The South Pacific has its distinctive conditions, including remoteness of the region from global metropolitan centers, wide geographical dispersion of countries and territories within the region, fragile ecosystems, limited resource base, cultural clash between traditional lifestyles and the individualistic orientation of cash economies, and cultural diversity within PICs (Graham 2008, 23).

China’s connections with the South Pacific have “deep cultural and historical roots” (Henderson and Reilly 2003, 98). These connections could be traced back to 5,000 years ago as the languages used by the first settlers in the South Pacific originated in Taiwan. It is also believed that the Polynesian, Micronesian and eastern Melanesian people of the Pacific are related to the indigenous people of Taiwan. In the eighteenth century, trade between the South Pacific and China started to grow. By the nineteenth century, there were Chinese laborers in Pacific island plantations and phosphate mines. These early Chinese laborers became the ancestors of today’s “small but usually prominent Chinese communities in most Pacific island states” (Henderson and Reilly 2003, 98).

From 1949, when the People’s Republic of China (PRC) was established, to the early 1970s when China started to normalize its relations with the West, Beijing did not have much contact with the South Pacific although its ideology-driven foreign policy ensured Beijing’s moral support for the independence movement in the region. The South Pacific was under Western hegemony in terms of the prevailing Cold War spheres of influence (Premdas 1983, 219).

A series of developments in the 1960s and 1970s contributed to a more active Chinese policy towards the South Pacific. In 1960, the dispute between Beijing and Moscow became public and the two giants in the Communist camp split. The Soviet Union thus emerged as Beijing’s primary security concern. Consequently, China sought to normalize its relations with the USA. The rapprochement between Beijing and Washington paved the way for US-allies to normalize their relations with Beijing. Australia established its diplomatic relations with China on 21 December 1972 and New Zealand followed the very next day. Meanwhile, the decolonization process swept through the South Pacific, enabling China to establish diplomatic relations with the PICs. It also allowed China to protect its “maritime sovereignty” from “Soviet-American hegemony”, by using South Pacific waters for missile testing and to search for seabed minerals (Hoadley 1992, 48).

What was also important in the early 1970s was that Beijing replaced Taipei at the UN Security Council in 1971. Taipei was forced to seek new friends among the emerging independent states to offset Beijing’s diplomatic victory.
It outmaneuvered Beijing and established diplomatic relations with Fiji in 1971 and with Western Samoa and Tonga in 1972 (Biddick 1989, 804). Beijing did not seem to have a comprehensive policy to engage with the PICs until 1974. In that year, the Soviet Union established diplomatic relations with Fiji and the Soviet Navy paid several “conspicuous” visits. Godley (1983, 131) observed that “By the closing months of 1975, a Chinese South Pacific strategy was almost fully developed.” It established diplomatic relations with Fiji on 5 November 1975 and with Western Samoa the following day. Up till then, Fiji and Western Samoa had recognized Taipei. About one year later, in October 1976, China established diplomatic relations with PNG.

China made efforts to develop its relations with the PICs in various areas. Economically, it supported the concept of exclusive economic zones (Biddick 1989, 811). Chinese trade delegations started to visit the PICs in the mid-1970s. China even opened a popular trade fair at Suva in 1978. Culturally, Chinese and South Pacific athletic teams exchanged visits. In 1975, China sent a soccer team on a goodwill tour to Fiji. The Chongqing acrobatic troupe made a goodwill tour in Western Samoa and PNG in 1977. Politically, leaders from PNG, Vanuatu, Fiji, Kiribati and Western Samoa all paid a visit to Beijing shortly after China established diplomatic relations with these countries. A highlight of the bilateral relationship at that time was the 1978 announcement by the Fijian Prime Minister Ratu Sir Kamisese Mara, after his visit to China, that his government intended to reject Soviet efforts to set up an embassy (Godley 1983, 137–138).

At that time, Beijing’s policy towards the South Pacific, like its policies towards other regions, had a clear ideological element—that is, both China and the PICs belonged to the Third World and it was their common interest to fight against imperialism. Indeed, Beijing’s pledge to resist “Great Power Hegemonism” seemed to strike “the most-responsive chord” (Godley 1983, 131–132). According to Biddick (1989, 812), however, by the mid-1980s, Beijing’s global foreign policy was no longer based on “de facto alignment with the West in confronting the Soviet Union” but had adopted a more independent posture. In the South Pacific, Beijing had become more interested in maintaining the status quo of regional stability than emphasizing the common struggle against hegemonism. In 1985, Hu Yaobang, the General Secretary of the CCP visited the region and articulated three principles that would guide China’s policy: (i) full respect for the foreign and domestic policies of the PICs, (ii) full respect for the existing close relations among these countries, and (iii) full respect for the treaties the PICs had signed with third parties (Biddick 1989, 812).

Having observed the development of Chinese relations with the PICs, Godley (1983, 140) concluded that “China is in the Pacific to stay and there is no question that she is a potential giant in the area.” Likewise, Biddick noted that “in the long term, the PRC is likely to play a larger role as a Pacific maritime power, raising new questions for this region of traditional Western influence.” He believed that Beijing regarded the South Pacific as a region in transition—i.e., “presenting opportunities for outside powers to expand their political influence” (Biddick 1989, 802–813).
At about the same time, Thakur insisted that “as an Asian-Pacific regional power with global aspirations, China is a reminder of emerging multipolarity even in the isolated South Pacific.” He thereby anticipated that “in a longer perspective, China could be seriously interested in gaining access to the region’s fisheries and seabed resources, and perhaps even emerge as a major maritime power in Asia-Pacific” (Thakur 1992, 21–22).

Such analyses share a conviction of the inevitability of China’s influence in the South Pacific. But it was not until the late 1990s that China’s influence in the region started to grow substantially. In 1991, China had only four diplomatic posts in the South Pacific while Australia and New Zealand had ten each and the United States had six (Hoadley 1992, 35). Currently, China has the largest number of diplomats in the region (Dobell 2007, 6). Moreover, “it is now accepted routine that the first official overseas visit by a new head of government from the region is made to Beijing, not to Canberra, Washington or Wellington” (Henderson and Reilly 2003, 95). Economically, Beijing has offered various financial assistance packages aimed at enhancing trade, building infrastructure, equipping government and military assets, and developing natural resources (Shie 2007, 309). China is now believed to be one of the region’s top three aid donors after Australia and the USA. Its estimated annual aid to the region is somewhere between $100 million and $150 million, which represents a rapid increase although it is still much smaller than Australia’s over $400 million (Hanson 2008, 3). China’s trade with the 14 island states that make up the PIF has increased from $121 million in 1995 to $1,229 million in 2006 (National Bureau of Statistics of China 2007). Chinese immigration to the South Pacific since the opening up of China in 1979 has also been a source of increasing influence for China, although of a far less positive nature as discussed later.

Chinese motivations in the South Pacific are multi-fold. Most important, however, is the role the South Pacific plays in Beijing’s “One China” strategy. Six of the twenty-three countries that have diplomatic relations with Taipei are in the South Pacific. Biddick (1989, 801) noted just before the end of the Cold War that Beijing and Taipei had been and remained most immediately concerned with their competition for diplomatic recognition and political influence in the South Pacific. To halt and reverse diplomatic recognition of Taiwan remains “the main driver” of Chinese aid to the region (Hanson 2008, 3).

Economically, the South Pacific has a small but fairly significant role to play in China’s national development strategy. Apart from trade, Chinese investment in the region has also been growing. The most important of these investments reflect China’s demand for the natural resources of the South Pacific, including fisheries, minerals, gold, copper, lumber, timber, and some hydrocarbons. An oft-cited example is the majority Chinese-owned nickel mine in PNG’s Madang province. It is one of the biggest offshore mining developments undertaken by a Chinese company valued at $800 million.

On the other hand, it should be noted that resources are a “secondary interest” (Hanson 2008, 4) and China’s economic interests in the South Pacific are still
limited. The trade volume of $1.2 billion in 2006 was a tiny fraction of China’s total trade of $1,760 billion in that year. The region does have valuable natural resources. But on the whole, it is not resource rich. Pacific ocean-floor resources are difficult to extract for the foreseeable future. Internal instability in some PICs remains a challenge to China’s economic interests in the region.

The South Pacific’s value to China’s national security strategy should not be exaggerated either. To start with, Beijing does not see an imminent military threat. Shambaugh (2002, 284) observed that “at the beginning of the twenty-first century... it would seem that China faces no tangible or immediate external military threat.” In this respect much of the South Pacific is both too far away from Taiwan to be part of any prospective military calculations by Beijing and “none of the island states lie close to the strategic sea lanes that service the bulk of China’s trade in energy and raw materials or, for that matter, to other important trans-Pacific commercial or military sea routes” (Wesley-Smith 2007, 14).

Whatever the Chinese motivations are, it is clear that China wants to engage with the South Pacific in a more sophisticated way. Involvement in South Pacific regionalism has thus become an important part of Chinese strategy towards the South Pacific.

The development of South Pacific regionalism

Government-driven regionalism can be traced back to 1947 when the South Pacific Commission (SPC) was established. But what is unique about the SPC is that it was first initiated in 1944 by Australia’s External Affairs Minister H.V. Evatt and New Zealand’s Prime Minister Peter Fraser and set up by the six colonial powers with territories in the Pacific—Australia, Britain, France, Netherlands, New Zealand and the USA (Fry 1991, 171). The intention of the SPC appeared “honorable”—to assist post-war recovery, to work for health and education improvements for Pacific people and to promote social and economic development in the region (Goff 2006, 26). The principal interest of the colonial powers was actually to help lay the foundation for a region that would continue to stay within the alliance formed around the USA and the UK (Frazer and Bryant-Tokalau 2006, 5).

The SPC was not supposed to be a political forum and political activity was not allowed. It thus became outdated when the decolonization movement gained momentum. In 1962, Western Samoa became the first Pacific Islands group to gain its independence. Then in 1968, Nauru became the world’s smallest independent state. In the next few years Fiji, Tonga, PNG, the Solomons, and Vanuatu became sovereign states. The increasingly independent PICs attempted to break up the constraints of the SPC on political issues, which resulted in the establishment of the South Pacific Forum (SPF) in 1971.

Unlike the SPC, the SPF was purposefully set up to discuss political issues. The founding members of the SPF were Australia, Cook Islands, Fiji, Nauru, New Zealand, Tonga and Western Samoa. The organization quickly expanded in terms
of both membership and scope of cooperation. It became, and still is, the leading organization for political discussion and economic cooperation in the region. The membership requirements of the SPF were different from those of the SPC. While the SPC was open to all states and territories in the region, including the colonial powers, the SPF was closed to most colonial powers, except for New Zealand and Australia. Both New Zealand and Australia strongly supported the decolonization of the region and played an indispensable role in the development of the SPF through funding and other assistance. The SPF was renamed the PIF in October 2000.

While political interests contributed to the formation of the PIF, it was economic interests that energized its development. Few of the newly independent PICs had economic self-sufficiency. Most of them depended to some extent on overseas aid or assistance. Efforts were made towards economic integration in the hope of achieving the benefits of economies of scale as the South Pacific comprises mostly microstates. The efforts were not impressively successful however. It was observed that “the idea of closer economic integration was dismissed by most Pacific specialists well into the 1990s” (Frazer and Bryant-Tokalau 2006, 6). Even in 2006, intra-regional trade flows were less than two percent and decreasing (Crocombe 2006, 196). Instead, these PICs have looked beyond the region for markets. The South Pacific Regional Trade and Economic Cooperation Agreement of 1980, for instance, granted goods from the PICs non-reciprocal duty free access to Australia and New Zealand.

Although regionalism has not resulted in significant economic integration, it has helped the PICs play a more active and effective role in international affairs. This has delivered significant economic benefits to the PICs. A good example is the negotiations over the 1982 United Nations Convention on the Law of the Sea. After ten years of talks, the PICs were able to maximize their exclusive economic zones (EEZs) with their widely dispersed island territories. Their effort to bring the region’s tuna fishery under joint management and control is regarded “one of the earliest and longest-lasting exercises in international diplomacy among Pacific island countries, and arguably the most successful” (Frazer and Bryant-Tokalau 2006, 8). Another story of successful collective diplomacy is the PIF members’ opposition to French nuclear testing in the region after the United States and Britain ended their testing programs. The South Pacific Nuclear Free Zone was established under the Treaty of Rarotonga in 1985. France agreed to cease all nuclear testing in the region in 1996.

Despite their achievements, the PICs were “too protective of their national sovereignty, too occupied with nation building” to follow the EU and to integrate more closely (Frazer and Bryant-Tokalau 2006, 11). Nevertheless, they had become better positioned to deal with the outside world by the late 1980s. One major step to engage the actors from outside the region was the introduction of a new arrangement known as “Dialogue Partners.” There are currently 14 Dialogue Partners: Canada, China, the EU, France, India, Indonesia, Italy, Japan, South Korea, Malaysia, the Philippines, Thailand, the UK and the USA.
The most recent development in South Pacific regionalism is the Pacific Plan for Strengthening Regional Cooperation and Integration which was endorsed by the PIF in October 2005. The Plan includes a wide array of benchmarks by which progress towards these objectives can be assessed. Some feel that the Pacific Plan “set in motion a new mandate for the pursuit of enhanced regional cooperation, and has possibly opened the door wider than ever before to exploring deeper regional integration between Pacific Island countries” (Spillane 2008, 72).

**China’s participation in South Pacific regionalism**

Along with its growing influence in the South Pacific, China has shown an increasing interest in participating in South Pacific regionalism. Beijing has consistently attached much importance to regionalism in the South Pacific. It supported the SPF and a Pacific Common Market in the 1970s and 1980s. Beijing also expressed its support for a South Pacific Nuclear Free Zone at an early stage and signed the protocols of the South Pacific Nuclear Free Zone Treaty in 1987.

In the post-Cold War years, involvement in South Pacific regionalism has become an integral part of Beijing’s strategy towards the region. The Chinese involvement has been centered on the SPF and later the PIF. The Chinese Ambassador to Fiji was first invited to the SPF in 1988. China then sent its first delegation to the Forum in 1989 and has sent government representatives to attend the annual Post-Forum Dialogue Meeting since 1990. China has used these meetings to assure the PICs that its fundamental policy towards the South Pacific is based on “mutual respect, equality and mutual benefit, opening to each other, common prosperity and reaching unanimity through consultation” (PRC’s Ministry of Foreign Affairs 2003). Beijing has also used the Forum to project its benign and cooperative image. At the October 2007 PIF meeting, the Chinese Deputy Foreign Minister Zhang Yesui insisted that “the ultimate goal of China’s Pacific island policy is the maintenance of the regional stability and the promotion of common development” (Xinhua 2007).

From the late 1990s, China’s interactions with PIF have been supported by generous financial assistance. In 1999, the China–Pacific Islands Forum Secretariat Cooperation Fund was established with a start-up figure expected to be $3 million. The funds were to be used to encourage bilateral cooperation to promote trade, investment, tourism, personnel exchange and training as well as to facilitate the establishment of the Pacific Islands Forum Trade Office in Beijing (The Senate 2006, 180). In the following year, China and the PIF signed an agreement under which the Chinese government donated $3 million to the Forum Secretariat, $1 million of which would fund the opening and operation of the Pacific Islands Trade Office in Beijing for three years. In 2003, China pledged another $100,000 annually to supplement the membership contributions to the Forum Presiding Offices Conference which represents the Speakers of Parliament and Congress in the Pacific. In 2004, a further $800,000 was provided to fund the PIF Trade
Office up until 2008. And in May, China announced its intention to fund major construction projects in Fiji including the building of Pacific House, where the Forum Secretariat offices would be located (Shie 2007, 314). At the 2005 Post Forum Dialogues, China pledged additional funds of $2 million to the China-PIF Cooperation Fund for the period 2006–2010 at the rate of $400,000 per year for cooperation projects under the Pacific Plan. In January 2007, China released $400,000 to the Pacific Islands Forum Secretariat towards the development of Information and Communications Technology, as well as air and sea transport services within the region (Pacific Islands Forum Secretariat 2007b).

China has also made efforts to join other regional institutions in the South Pacific. It joined the South Pacific Tourism Organization (SPTO) in April 2004, becoming the organization’s first member from outside the region. The SPTO, established in 1986 and based in Suva, is a regional inter-governmental organization for the joint promotion of the region as a tourist destination. The claim is that China’s presence in the organization would help boost regional tourism, enhance understanding between China and the island countries, and encourage other major powers from outside the region to join (Xinhua 2004).

Perhaps more importantly, China has set up its own dialogue platform with the PICs. In April 2006, Chinese Premier Wen Jiabao flew to Fiji and attended the first China-Pacific Island Countries Economic Development and Cooperation Forum (hereinafter referred to as the China–PICs Forum). For those island states which did not recognize Taiwan, Wen delivered loans totaling three billion yuan ($615.54 million) for economic development, removed import tariffs and cancelled debt for the poorest, promised to provide free malaria medicines to stricken countries, and added PNG, Samoa and the Federated States of Micronesia to the list of destinations Chinese tourists are allowed to visit (Ansley 2006). After the opening ceremony for the First Ministerial Conference of the China-PICs Forum, China and the PICs signed the China-Pacific Island Countries Economic Development and Cooperation Guiding Framework. That document covers trade cooperation, closer economic ties, agriculture cooperation and tourism cooperation. Michael Somare (2006), Prime Minister of PNG and Chair of the PIF, praised the Framework as a “historic milestone in the further strengthening of relations between the People’s Republic of China and countries of this region.”

China’s involvement in South Pacific institutions is an important part of its strategy towards the region. Premier Wen said in his keynote speech at the first China–PICs Forum that it is a strategic decision, not a diplomatic expediency for China to foster friendship and cooperation with the PICs (Xinhua 2006). And as discussed earlier, a driving force behind China’s strategy in the South Pacific is the Taiwan factor. This is reflected in Chinese relations with regional institutions.

One battlefield between China and Taiwan has been the Post-Forum Dialogue Meeting. Taiwan is not an official Dialogue Partner but since 1992 has held its own separate post-Forum meeting with friendly Pacific Island states at a closed setting after all post-forum dialogues had already taken place. In 2000, representatives from Fiji and PNG and officials from a number of Forum agencies which had
accepted financial support from Taiwan, including the Forum Secretariat, Forum Fisheries Agency, South Pacific Trade Office and the University of the South Pacific, also attended the post-Forum meeting with Taiwan (Henderson 2001, 152). China strongly objected to Taiwan’s presence at the Kiribati meeting and urged the Forum to uphold the “One China” policy in arranging for the post-forum dialogue. It requested that Forum members having diplomatic relations with China, the PIF Secretariat and other regional organizations in the South Pacific should not participate in the dialogue with Taiwan. It declared that “the question of Taiwan must not be put off indefinitely… We strongly demand that the Forum take seriously China’s position” (Henderson 2001, 152). In 2003, China again reminded the PICs that as an intergovernmental organization of sovereign states, the PIF should refrain from any exchanges of an official nature or dialogue partnership of any form with Taiwan (Embassy of PRC in PNG 2003).

China’s donations to regional institutions are also closely linked to the Taiwan issue. China donated $1 million to set up the Pacific Islands Trade Office in Beijing in 2000, but only after the PIF agreed to switch its chairmanship from Palau, which recognized Taiwan, to Kiribati, which at the time recognized China. At the First Ministerial Meeting of the China–PICs Forum, the countries that recognized Taiwan were not invited and were excluded from many of the benefits. Premier Wen stated that only those countries recognizing China would be approved as Chinese tourist destinations (Shie 2007, 319). In the SPTO, the rivalry between Beijing and Taipei has grown to the extent that the unity of the SPTO “has been fractured” (Keith-Reid 2007). Because of a lack of external participation, Taiwan is one of the SPTO’s few sources of cash. Three of the SPTO’s 10 Pacific island members, Tuvalu, Kiribati and the Solomon Islands, have been insisting that Taiwan be treated equally with China. Taiwan supplied SPTO with about $400,000 in aid in the five to six years before China joined SPTO in 2004. At an October 2005 conference of the SPTO, Beijing lobbied against Taiwan’s inclusion. It pledged an additional $100,000 a year for five years in organizational support. The following week the members voted against Taiwan’s admission.

Although the diplomatic war with Taiwan is a key motivating factor behind China’s involvement in South Pacific regional organizations, a second important factor is assisting regional development and acquiring natural resources for China’s own economic growth. This is reflected in the character of Chinese-led regional efforts, such as the China–PICs Forum, and China’s interest in commercially focused institutions like the SPTO. China has also made clear its readiness to further develop its economic relations with member countries under the Pacific Agreement on Closer Economic Relations and the Pacific Island Countries Trade Agreement (Embassy of PRC in PNG 2003).
The implications of China’s involvement

While it appears that Beijing’s involvement in South Pacific regionalism has been driven mainly by the twin-dynamics of the “One China” policy and development, there are concerns about Chinese motivations. This concern appears to be magnified by the waning interest of the USA and its European allies in the region. The contention is that “China’s long-term goal is to ultimately replace the USA as the pre-eminent power in the Pacific Ocean” (Henderson and Reilly 2003, 94–95). Thus, “through a combination of trade, aid, and skilful diplomacy, Beijing is laying the foundations for a new regional order with China as the natural leader and the United States as the outsider” (Windybank 2005, 28).

Against this background, Chinese involvement in South Pacific regionalism could have profound strategic implications. So far China has been more a follower than a leader of South Pacific regionalism. Clearly, the rise of China has strengthened the region’s awareness of the benefits from working with China. That China became the first SPTO–member from outside the region as well as the setting-up of the China–PICs Forum indicate that the South Pacific countries recognize the necessity of a coordinated regional approach towards China. It has to be recognized however that although China has become increasingly active in the region, its membership in South Pacific institutions remains limited, particularly in comparison to Australia and New Zealand (see Table 15.1). China is not a full member of the PIF, the most influential regional institution. China did not have any role in the design of the region’s principal economic strategy, the Pacific Plan, unlike Australia and New Zealand.

Instead of playing a leadership role, Beijing has been careful to project an image of an equal and cooperative partner. It is mainly on the Taiwan issue that Beijing tends to adopt a non-compromising approach to regional organizations. That has by no means strengthened Beijing’s leadership role in South Pacific regionalism. The reality is that the PICs are split on the Taiwan issue. The diplomatic competition between mainland China and Taiwan has drawn the attention, and annoyance, of the two major powers in the region, Australia and New Zealand. In May 2005, the then Australian Foreign Minister Alexander Downer stated that “We… don’t like to see an unseemly competition within the South Pacific between China and Taiwan over recognition. It obviously doesn’t contribute to the stability of the region, so we’d rather not see that” (The Senate 2006, 174). Similarly, the then Foreign Minister of New Zealand, Winston Peters, said in August 2006 that “New Zealand encourages external partners to respect the critical local development and security needs of the region and not overwhelm these in pursuit of their own external agendas” (Agence France Press 2006). China’s competition with Taiwan severely constrains its ability to play a leadership role in South Pacific regional institutions.
Looking into the future

It is clear that China has not been a driving force behind South Pacific regionalism. Instead, as a latecomer to the region, it has been following its development and trying to make best use of it. But this does not mean that China’s influence is not growing. It is therefore worthwhile to speculate whether China is in a position to displace Australia and New Zealand as the shaping actors of South Pacific regionalization and dominate this process.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Year Established</th>
<th>Members</th>
<th>Australia</th>
<th>New Zealand</th>
<th>USA</th>
<th>China</th>
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<td>26</td>
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<td>1971</td>
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<tr>
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<td>1974</td>
<td>25</td>
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<td>2005</td>
<td>12</td>
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<tr>
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<td>2006</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td>√</td>
</tr>
</tbody>
</table>

*The US and China are dialogue partners of the Pacific Islands Forum, which means they meet with members afterwards at a Ministerial level.

**American Samoa, French Polynesia and New Caledonia are associate members.

***Formerly known as the South Pacific Trade Commission. It is now a component of the Pacific Islands Forum Secretariat.

Looking into the future

It is clear that China has not been a driving force behind South Pacific regionalism. Instead, as a latecomer to the region, it has been following its development and trying to make best use of it. But this does not mean that China’s influence is not growing. It is therefore worthwhile to speculate whether China is in a position to displace Australia and New Zealand as the shaping actors of South Pacific regionalization and dominate this process.
Before we continue, a brief discussion about the future of South Pacific regionalism is in order. Indeed, many observers have been disappointed with the progress of South Pacific regionalism. Crocombe (2006, 196) believes that the potential for effective regionalism in the South Pacific is limited if “judged against logical criteria.” On the other hand, Herr ascertains that the South Pacific has firm foundations for future cooperation. “In the final analysis,” Herr concludes, “the foundations of the Pacific Islands’ regional capacity have been firm enough and adaptable enough to survive for more than six decades.” Regional capacity, in this respect “refers to the efficiency and effectiveness by which individual state inputs are converted into collective, regional outputs.” (Herr 2006, 184–192). On balance, it is fair to say that the PICs do recognize the importance of economic cooperation but are not well prepared for regional integration.

Such analyses, however, more often than not take their point of departure of assessing South Pacific regionalism from a Western point of view. In this respect, Crocombe (2006, 195) argues that a “paradigm shift” is underway:

The major development in the Pacific Islands region is the paradigm shift from “West” to “East” with the major nations of East Asia soon to become the major external influence on Pacific Island states. Asian nations will similarly become the major funders of regionalism in the Pacific in the near future. Australia and New Zealand are likely to seek to increase their involvement in the short term to counter the influence of Asia; but that is likely only to delay the coming predominance of Asia.

Crocombe (2006, 201) emphasizes that “all the indicators are that the main external influences on Pacific Island regionalism will soon be from Asia,” especially Northeast Asia where China is located.

From this perspective, it would appear that China has sufficient leverage to influence South Pacific regionalism. First, it shares with the PICs the identity of a developing country. Beijing has used this advantage consistently and skillfully. China’s developing country identity is well received in the region as highlighted by PNG Prime Minister Michael Somare’s welcome speech to Premier Wen’s visit to the South Pacific in April 2006. Somare noted that China’s attractiveness came from the fact that it was also a developing country. In this respect, “there is much we can learn from one another,” said Somare (2006).

Somare might well be playing the “China card” by reminding other external actors that the PICs have independent policy-making. During the Cold War, the rivalry between the two ideological camps resulted in disproportionate influence of the PICs. After the Cold War, the PICs’ strategic importance to the great powers sharply decreased, greatly reducing their influence. The rise of China, therefore, presents the PICs with an alternative to other donors, including Australia and New Zealand. China’s presence is therefore welcome to the PICs, which is China’s second advantage in influencing South Pacific regionalism.
China’s third advantage is that South Pacific regionalism is essentially confined to economic integration and it is in the economic area that China has an important role to play. In looking into the future of regional integration, the Pacific Plan states:

The Leaders’ long-term goal is to move progressively towards a comprehensive framework agreement amongst all Forum members that includes trade (and services) and economic cooperation. This goal is reflected in the Forum Economic Ministers’ identification of stronger regional economic integration, starting with trade, as a key element for economic growth and building a relationship with the rest of the world. (Pacific Islands Forum Secretariat 2007a, 9)

China’s assistance to the South Pacific is set to continue and the PICs will find China increasingly important in terms of aid, trade and investment. And unlike Australia and New Zealand, China does not impose any political pre-conditions to its aid. “We are very impressed by the way China furthers its cooperative relations with the South Pacific region, and we are grateful for what China has done to enhance development of the Pacific island states”, said Greg Urwin, the then Secretary-General of the PIF, to Chinese media in October 2005 (Xinhua 2005). PIC leaders tend to agree. After Premier Wen’s summit with the leaders of the PICs which recognized China and the signing of the three billion yuan development assistance package in April 2006, Fiji’s Prime Minister Laisenia Qarase said the summit reflected the shifting patterns of diplomacy and political alignments in the Pacific. “China defines a new and compelling reality politically and economically,” Qarase noted (Seneviratne 2006).

Despite China’s attractiveness and growing economic ties with the PICs, there are several factors that will constrain the future development of their relations. To begin with, China is not physically close to the South Pacific like Australia and New Zealand. This constrains China’s ability to participate and may relegate it to secondary external power status. For instance, seeing Australia and New Zealand as part of the region, Graham (2008, 42) believes that to include external powers like China, France and the USA in certain regional bodies is one of the “institutional shortcomings” in the South Pacific. Second, the Beijing-Taipei rivalry often creates fissures in the region. Powles (2009, 40) has observed that “at a time when very tentative steps are being taken towards greater cooperation and cohesion under the Pacific Plan, this division has become a serious impediment.” As the Forum operates on a basis of consensus and consensus is likely to remain lacking on the Taiwan issue, Beijing’s participation in and influence over South Pacific regionalism will continue to be limited.

Third, unlike New Zealand, Australia and the USA, China does not have strong connections with the South Pacific in non-economic areas. Such connections are important for a stable, long-lasting relationship. Culturally, the linkages between the South Pacific and China remain weak. In his book on how Asia is “replacing the West” in the South Pacific, Crocombe (2007, 13–14) acknowledges that:
Long after the tides of population, trade and investment turn in favor of Asia, Western influences are likely to remain in other aspects of life because of English language, Christian religion, and Western-derived education, entertainment and organization… Pacific Islands schools, radio and television do not teach nearly enough about Asia in view of the level of interaction. Asians learn even less about the Islands, and incentives for them to do so are few.

China’s lack of understanding of the South Pacific is highlighted by the little attention that Chinese analysts have paid to the region. The South Pacific is similar to Latin America and Africa in that there are a number of countries in each region that recognize Taiwan. While Chinese analysts have a well-established interest in Africa and Latin America, they appear unfamiliar with and uninterested in the South Pacific. The lack of interest in the South Pacific is evident in the comparatively much smaller number of Chinese publications about the region (see Table 15.2).

<table>
<thead>
<tr>
<th>Term</th>
<th>Date range</th>
<th>Matching</th>
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</tr>
</thead>
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<tr>
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<td>Precise</td>
<td>6</td>
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<tr>
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<td>Precise</td>
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<tr>
<td>Title Feizhou (Africa)</td>
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</tbody>
</table>

Socially, China has serious image problems in the South Pacific, particularly at the grass-roots level where China’s “no-strings-attached” loans to governments and elites have less influence. It is observed that the recent influx of Chinese immigrants are resented by local islanders because they compete with locals for jobs and are seen as corrupting local officials and politicians (Crocombe 2005, 28; Shie 2007, 317). Resentment against ethnic Chinese business is another problem. A recent report has stated that “the ethnic-Chinese economic presence, while often welcomed by PIN [Pacific Island Nations] governments, has engendered some resentment among indigenous peoples” (Lum and Vaughn 2007, 18). In addition, there is the perception among Pacific islanders that Chinese government money is used to influence local politicians (Dobell 2007, 3).

Where China is weak, Australia and New Zealand are strong. In contrast to China, the two metropolitan states in the region, Australia and New Zealand, are not only deeply involved in the South Pacific at the economic, political, social, and cultural levels, but they have also played a decisive role in shaping regional organizations. Thus, a final and crucial factor that may constrain China’s influence on South Pacific regionalism are the reactions of Australia and New Zealand. To
participate in South Pacific regionalism, Beijing needs to obtain the consent and support of both Canberra and Wellington. Given the close relations of the two states with the PICs, how Australia and New Zealand engage China will influence the perceptions of the South Pacific countries towards China. Moreover, the two countries, especially Australia, play an important role in China’s security strategy. China sees Australia “as a country which has the ear of the United States, is an influential player in Southeast Asia and the Southwest Pacific and is a natural trading partner and provider of the energy resources China needs for its long term development” (Hoadley and Yang 2007, 341). New Zealand, although a small power globally, has got China’s attention and, to a considerable extent, admiration for its independent foreign policy. As the first developed country to recognize China’s market economy status and the first developed country to conclude talks on China’s entry into the World Trade Organization, New Zealand was rewarded as the first developed country to start free trade agreement (FTA) negotiations with China and the first developed country to sign an FTA deal with China in April 2008.

The strategic value of Australia and New Zealand would increase if we add Japan to the equation. While it is their common interest to deepen their mutual understanding, China and Japan still do not have much trust in each other (Yang 2007, 250–275). The two giants are believed to have engaged in a strategic competition in East Asia. Australia and New Zealand can play an important role in such a competition. It was Japan who advocated membership of the East Asia Summit for Australia and New Zealand to balance Chinese influence in the forum as the two countries are believed closer to Japan in terms of values (Yang 2006). Japan also strengthened its security cooperation with Australia by signing a Joint Declaration on Security Cooperation in March 2007. The security pact is widely believed to target China.

With the easing of diplomatic rivalry between mainland China and Taiwan in the South Pacific, Beijing is likely to be more willing to work closely with New Zealand and Australia to coordinate its policy towards the South Pacific. The Chinese Ambassador to Fiji said in 2005, “Get one thing straight—we don’t want to influence anybody... [and] we don’t want to drive out the influence of Australia and New Zealand. Our aim is one of friendship and co-operation and we don’t want to take anything away... we don’t have a self-interest” (Gregory 2005). It would be naïve to believe that China does not have a self-interest. Nevertheless, as Hanson (2008, 8) points out, “displacing Australia and New Zealand in the Pacific would come at a huge cost to China and bring no tangible additional benefits.” Instead of pursuing a policy of dominating the region as a hegemon, China may well cooperate with Australia and New Zealand on regional issues, such as good governance and stability, for the foreseeable future. As Powles (2007, 11) argues, “Only the most hardened adherent to the darkest ‘China threat’ scenarios would believe that China could see any benefit in the national and regional instability that bad governance can bring.”
Conclusion

The Chinese have a long history in their contacts with the South Pacific. However, China’s agency in the region is a fairly new development. Beijing did not have much contact with the South Pacific in the first half of the Cold War and its approach towards the region in the second half of the Cold War was centered on bilateral relationships. China started to emerge as a key player in the South Pacific in the late 1990s. It has since expanded its relations with the region and, as part of China’s growing interest in multilateralism, has strengthened its relations with intergovernmental organizations in the South Pacific.

China’s involvement in South Pacific regionalism remains limited. Beijing’s participation in intergovernmental activities in the region has been driven mainly by its diplomatic rivalry with Taipei and its economic interests. Thus, unlike Australia and New Zealand, China has shown little interest in setting a vision or establishing guidelines for regionalism in the South Pacific. Beijing as a newcomer is more a follower than a leader in South Pacific regionalism. At the same time, Beijing is cautious in its approach towards South Pacific regionalism, partly because it is wary of the PICs’ sensitivity to national sovereignty. China’s cautiousness also lies in its delicate relations with the two major actors in the region—Australia and New Zealand. Peebles (2005, 44) stresses that “Pacific regional integration depends on Australian leadership and engagement. Australia should be regarded as the pivotal player.” Not only does China recognize the interests of Australia and New Zealand in the region, it also understands that the success of its diplomacy in the South Pacific needs the goodwill of Australia and New Zealand. To advance China’s interests in the region without respecting the two influential regional players’ interests would be detrimental to China’s key foreign policy goal of the past two or three decades—that is, to create a peaceful external environment which is conducive to China’s economic development. Instead of embarking on a realist zero-sum competition for dominance, Beijing will find it more beneficial to cooperate with Australia and New Zealand on South Pacific regionalism. Thus, China’s involvement in South Pacific regionalism can be an opportunity not only for the PICs but also for Australia and New Zealand.
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