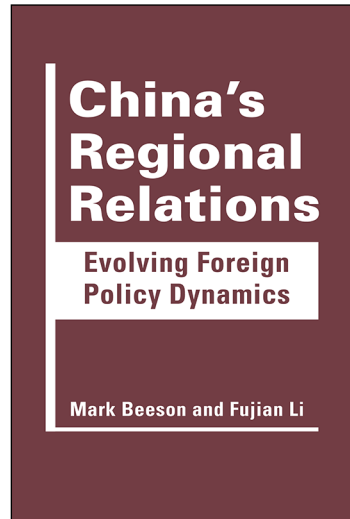


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China's Regional Relations:  
Evolving  
Foreign Policy Dynamics

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# Contents

<i>List of Illustrations</i>	ix
1 China Changes Everything	1
2 The Rise of Regions	9
3 China Transformed	31
4 East Asia or Asia Pacific?	59
5 Southeast Asia	87
6 Northeast Asia	113
7 India, Russia, and Central Asia	137
8 Sino-Australian Relations	163
9 A Regional or Global Power?	185
<i>List of Acronyms</i>	199
<i>Bibliography</i>	201
<i>Index</i>	243
<i>About the Book</i>	254

# 1

## China Changes Everything

**The world seems to have become obsessed with China. It's not hard** to see why. Whether it is the unprecedented speed and scale of its economic development, the possible threat posed by its military and territorial ambitions, or the more diffuse influence of its culture and people, China is continuously in the headlines and seems to have changed not only the world around us but the way we understand it. Coming to terms with the “rise of China” is not just something that preoccupies the world’s media, though. On the contrary, policymakers and analysts everywhere are having to re-think the way they understand the evolution of the international system and China’s place within it. Will China be a “responsible stakeholder,” as former deputy secretary of state and World Bank president Robert Zoellick famously demanded, or will its growing economic, political, and military power present a fundamental challenge to the existing order? More pertinent for prominent US policymakers such as Zoellick, will China threaten the hitherto dominant position of the United States itself?

Only a decade ago such a question might have seemed preposterous. As we shall see, for some observers—especially in the United States—it still does. But a growing number of people think that the rise of China really does have the potential to change the existing distribution of power and influence in the international system in ways that will have consequences for China itself, for the United States as the world’s existing “hegemonic” or dominant power, and especially for China’s neighbors, who have been the first to feel the real impact of China’s growing power and presence. This last group of states and peoples is the primary focus of this book.

At the outset it is important to emphasize that for all the attention that China’s seemingly sudden emergence on the world stage has garnered, this territory is hardly uncharted. On the contrary, for most of recorded human history China has been the most powerful, advanced, and influential force on the planet. In China’s own neighborhood in particular, its cultural influ-

ence over countries such as Japan, Korea, Cambodia, Burma, and Vietnam has been profound and enduring. We simply cannot understand the evolution of what we now describe as “East Asia” without recognizing the impact Chinese ideas and social practices have had on the region.

Crucially, however, during the course of the thousands of years when China was the dominant force in East Asia in particular, it was not the sort of nation-state that it (and every other polity in the world) has become now. The creation of an international system populated by geographically discrete, sovereign nation-states is a product of the time when China was in decline and European nations were the “rising powers.” European expansion was traumatic for China and would initiate what has become known as China’s “century of shame,” in which its territorial sovereignty was compromised and its ancient dynastic system was ultimately overthrown, plunging the country into decades of bloody civil war. However, from this appallingly destructive and humiliating interregnum, China has recently reemerged to once again occupy what many of its people and policymakers see as the country’s rightful place at the center of world affairs. From a long-term Chinese perspective, one might even suggest that normal geopolitical business is being resumed after an unfortunate, aberrant interlude.

One does not have to agree that Chinese ascendancy is the normal, even “essential,” order of things to recognize that this period is one of epochal change, and not just for China itself. How the United States—whether we think of it as either a unitary political actor or as a people long accustomed to being the world’s dominant power with all the privileges that dominance brings—will respond to the prospect of being challenged, much less usurped, is an interesting question. No shortage of potential guesses is being made about, and answers suggested to, that question, including the possibility that it is purely academic, and China will never attain dominance. But whatever one thinks may happen in the future, the world is being clearly transformed in significant ways right before our eyes. Nowhere is this transformation more obvious and apparent than in China’s immediate neighborhood, which is why that area is the principal focus of this book.

Our overall argument, in short, is that at this stage, China’s rise and growing importance are manifesting themselves primarily in China’s relationships with its closest neighbors. China’s regional relations therefore offer an important and revealing window into not just its evolving foreign policy, but also the way its elite policymakers actually think about the world and China’s place in it. As we shall suggest, important variations can be found in the style of diplomacy and the policy priorities China pursues in different parts of its varied and extensive neighborhood. That China has longer borders and more diverse neighbors than any other country on earth

is important to remember (see Map 1.1). China's land border is 22,000 kilometers (13,670 miles) and its coastline stretches more than 18,000 kilometers (11,200 miles), giving it the most complex geostrategic environment in the world, according to some leading figures in China's foreign affairs (Y. Wang 2003). As a result, different issues are given priority in different regions; geography and history continue to shape regional diplomacy, even in an era of so-called globalization.

Indeed, the other reason for focusing on any region—not just ones in which China happens to be involved—is that they remind us that the world is far from a uniform place in which universal values or practices predomi-



**Map 1.1 China and Its Region**

nate. On the contrary, regional variation remains a very important determinant of living standards, cultural values, policy priorities, and international relations. Even if China ultimately becomes a world power with a more extensive and all-encompassing international agenda, many of the attitudes, policy preferences, and diplomatic tactics that it may eventually employ are being forged in its own regional relations. As such, they provide a potentially tantalizing glimpse of the way China's overall policy preferences may evolve. At the very least they highlight the constraints and opportunities that currently confront China's policymaking elites as they come to terms with the country's newfound status and power.

Thus far, we have been talking rather glibly about "China," with or without the quotation marks. We should make it clear that in this book we are concerned primarily with the foreign policy of the People's Republic of China (PRC), although we shall invariably call it "China" for the sake of convenience. This semantic shortcut should not be taken to imply that we uncritically accept that the use of the single word "China" conveys a straightforward, universally accepted idea about what "China" might mean. We are, in fact, very conscious of the fact that China's foreign policy is the consequence of an increasingly contested process; indeed, we spend a good deal of time trying to explain and indentify some of the different forces that are attempting to influence the construction of foreign policy in China. However, where it is convenient to do so and the meaning is clear, we shall sometimes refer to China as if it is a unitary actor, even though we are very conscious of the fact that it is often no such thing. As we shall explain, however, policymaking in China is more opaque than in many comparable Western countries, and this convention is actually more forgivable than it might be elsewhere.

Our principal goal in what follows is not to provide an exhaustive analysis of the policymaking process, however. Even utilizing such Chinese language sources as actually exist and drawing on our own interview material, defining Chinese policy is still a very difficult task: this particular policy "black box" resists easy opening. Consequently, we concentrate primarily on the actual policy outcomes in China's various and varied regional relations. As a result, the book is organized as follows.

In Chapter 2, we provide an introduction to the nature of and debates about regions. One of the key arguments we make here is that regions are very important elements of the overall international system. Indeed, in China's part of the world, a lively competition is taking place to actually define the boundaries and membership of "the region" of which China is a part. As we explain, China is actually a member of a number of overlapping regions. Significantly, China is a more powerful and consequential actor in

some of these regions than it is in others, and it is unsurprisingly more enthusiastic about some as a result. Equally important, however, regions are not simply vehicles through which powerful states try to get their way (although they may be that, too), but they are also arenas in which states are “socialized” into particular patterns of behavior and norms.

Before actually considering how China’s policymakers have acted and attempted to utilize various regional groupings, we provide a sketch of China’s own development. We do this for a number of reasons. First, China has had more history than most, at least of the recorded kind, and its leaders and people take it rather seriously as a consequence. Indeed, the East Asian part of China’s neighborhood pays a great deal of attention to history; the current disputes over territory and the frequently tetchy relations between China and Japan have their origins in historical conflicts and events that continue to resonate in the present day. Unless we have some understanding of these events, making sense of the seemingly nonnegotiable nature of some contemporary problems is difficult. In addition to providing a snapshot of some aspects of China’s long-term history in Chapter 3, we provide a brief outline of China’s phenomenal economic development and the political changes that facilitated it.

In Chapter 4, we introduce the first and arguably the most contentious of our regional case studies. The key issue here is the nature of the region itself: should it be “East Asia” or “Asia Pacific”? As we explain, much is at stake in the answer, not least because the United States is potentially a member of the Asia Pacific, and China’s own status is inevitably diminished as a consequence. In East Asia, by contrast, China has the opportunity to play a much more prominent role. We review some of the key institutions that have emerged around these competing visions. We also introduce some of the key conceptual frameworks that have been developed to explain the bilateral relationship between a rising China and a possibly declining United States. Theoretical perspectives such as “hegemonic transition” are important, if only because so many analysts and policymakers take them seriously and act accordingly.

Southeast Asia is one area in which China has assiduously tried to cultivate influence and “charm” its neighbors, and we consider the success of these efforts in Chapter 5. The story here is of mixed messages: as we explain, China’s economic importance and the increasingly sophisticated nature of Chinese foreign policy meant that attitudes toward China really had changed in a region that was historically nervous of the geopolitical intentions of its much larger neighbor. Of late, however, in the wake of China’s increasingly assertive, even aggressive behavior in the South China Sea, much of that earlier good work has been effectively undone. A number of

Southeast Asian states are increasingly looking to the United States as a hedge against an increasingly alarming China.

Northeast Asia has traditionally been even more problematic for China, in part because it is so much closer geographically, and China's relations with its most important neighbors have been—and generally remain—very difficult, as we explain in Chapter 6. We focus primarily on the bilateral relationships with Japan, North and South Korea, and, most problematically of all perhaps, Taiwan. The focus on bilateral relations is explained in part because so little institutional architecture is available to examine. We consider how much impact economic interdependence is having on the various bilateral relationships and conclude that although it has been surprisingly positive in Taiwan's case, the deteriorating relationship with Japan reminds us that nothing is inevitable in China's regional ties, especially in the absence of institutions that might help manage intraregional ties.

The potential efficacy of such institutionalized regional relations is on display in Chapter 7, where we examine the development of the Shanghai Cooperation Organisation (SCO), which China has played a significant role in creating. Indeed, we explain how the SCO has played a major, very positive role in stabilizing the entire Central Asian region, traditionally a source of serious security threats. Revealingly, the SCO has also proved to be a way for China to manage its historically difficult relationship with Russia. In this chapter, we also consider China's relationship with India, because the Asian giants are competing for influence in the Central Asian region, and India is a potential obstacle to China's regional ambitions.

In Chapter 8, we present a more detailed exploration of a specific bilateral relationship because it illustrates all of the factors that are in play at a more general level in China's regional relationships. Not only is the bilateral relationship between China and Australia one of the most important economic partnerships for both countries, but Australia also has an intimate, long-standing strategic relationship with the United States—the reigning hegemonic power and principal obstacle to China's own international ambitions. If China can get this relationship right, it may yet exert a broader influence than some of the skeptics think. Thus far, however, the signals are mixed.

The final chapter offers a conclusion by way of an exploration of China's possible global role. All other things being equal, China will soon overtake the United States as the biggest economy in the world, and we would expect its international influence to continue expanding in line with this achievement. At the very least, other countries will be compelled to take China seriously as it plays an increasingly critical part of the global economy. The key question is, can China translate its material presence into

international influence? Does it actually have a vision it wants to promote? Can China, or its current generation of “communist” policymakers, to be more precise, actually play the role of good international citizen and stabilizing force? The experience of the United States reminds us that balance is not easily found, and the temptations of hegemony and the promotion of the national interest are very real. However, by looking at China’s evolving regional relations, we might begin to get some idea of whether or not China is up to the task.