PART I

THE PUZZLE AND THE ARGUMENT

The temporary hegemony of Western European civilization [over Asia] has distorted our view of the past and made our interest one-sided. Because the world has been dominated by the West for a hundred twenty years—a short span of time yet, in retrospect, an eternity—the West came to consider itself as the focus of world history and the measure of all things.

—W. F. WERTHEIM, "EARLY ASIAN TRADE: AN APPRECIATION OF J. C. VAN LEUR,"
FAR EASTERN QUARTERLY

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CHAPTER 1

THE PUZZLE AND CHINA'S AMAZING RISE

THE PUZZLE

In 2006, Chan Heng Chee, Singapore's ambassador to the United States, gave a speech in Houston, Texas, about relations between China and the Association of Southeast Asian Nations (ASEAN). She began her largely positive assessment by discussing the fifteenth-century Ming dynasty's peaceful relations with Southeast Asia, noting, "Dynastic China's relations with Southeast Asia were to a large extent based on 'soft power.' . . . It was China's economic power and cultural superiority that drew these countries into its orbit and was the magnet for their cultivation of relations." She concluded her speech by saying, "there is one message I would like to leave with you today: that there is much optimism in Southeast Asia."[1] Although Singapore is often viewed correctly as one of the closest allies the United States has in East Asia, Ambassador Chan's remarks reveal the complexity and depth of East Asian states' relations with both China and the United States.

Singapore's situation reflects a pattern that has occurred throughout East Asia over the past thirty years. As a region, East Asia since 1979 has been more peaceful and more stable than at any time since the Opium Wars of 1839–1841. Only two states, Taiwan and North Korea, fear for their survival. Furthermore, East Asian states have become increasingly legitimate and stable; they have strengthened regional multilateral institutions; and they have increased their bilateral economic, cultural, and political relations. During that time, China has rapidly emerged as a major regional power, averaging over 9 percent economic growth since the introduction of its market reforms in 1978. Foreign businesses have flocked to invest in China, while Chinese exports have begun to flood world markets. China is modernizing its military, has joined numerous regional and international institutions, and is increasingly visible in international politics. At the same time, East Asian

states have moved to increase their economic, diplomatic, and even military relations with China.[2] China appears to have emerged as a regional power without provoking a regional backlash.

Why have East Asian countries accommodated rather than balanced China's rapid economic, diplomatic, and political emergence over three decades? Why has East Asia become increasingly peaceful and stable in that time? This book makes two central arguments. First, East Asian states are not balancing China; they are accommodating it. This contradicts much conventional international relations theory, which says that the rise of a great power is destabilizing. Second, this accommodation of China is due to a specific constellation of interests and beliefs—a particular mix of identities and the absence of fear. Identities are central to explaining the sources both of stability and of potential instability in East Asia, but not to the exclusion of the relative capabilities and interests that traditional realists champion.

Accurately describing East Asia is a critical first step toward explaining how the region came to be as it is. Taiwan is the only East Asian state that fears the Chinese use of force, and no other East Asian state is arming itself against China nor seeking military alliances with which to contain China. Although state alignment strategies are often posed as opposites—military balancing against an adversary, or bandwagoning with the stronger power in hopes of gaining benefits or neutralizing the threat—as a strategy, accommodation lies between these poles. While not balancing China, East Asian states are not bandwagoning with it in all areas, either, and have no intention of kowtowing. East Asian states also vary in their strategies toward China—Japan is far more skeptical of Chinese power than is Vietnam, for example.

The absence of balancing against China is rooted in interests as well as identities. In terms of interests, rising powers present opportunities as well as threats, and the Chinese economic opportunity and military threat for its regional neighbors are both potentially huge. Yet East Asian states see substantially more opportunity than danger in China's rise. Furthermore, the East Asian states prefer China to be strong rather than weak because a strong China stabilizes the region while a weak China tempts other states to try to control the region.

Identity is also central in framing how regional states interpret China's rise. East Asian states view China's reemergence as the gravitational center of East Asia as natural. China has a long history of being the dominant state in East Asia, and although it has not always had warm relations with its neighbors, it has a worldview in which it can be the most powerful country in its region and yet have stable relations with other states in it. Thus to East Asian observers and other states, the likelihood that China will seek territo-

rial expansion or use force against them seems low. Most see China as desiring stability and peaceful relations with its neighbors.

Although those East Asian neighbors share a common lack of fear regarding China, each relationship with China is distinct. Taiwan is a good example. Few claim that China threatens Taiwan as part of an expansionist strategy, or that control of Taiwan would tip the balance of power in the region. Taiwan is not an issue because of power politics; it's an issue because of competing conceptions of whether Taiwan is an independent, sovereign nation state, or whether it is a part of China. For China, the question is nation building, not expansion. Thus Taiwan is not an exception to the general trend in East Asia; it is categorically different from other states. While formally the United States and most other nations agree with China's claim, privately many view Taiwan as "obviously" an independent nation-state, with its own government, currency, economic system, and culture. As a result of this disagreement over Taiwan's identity, Taiwan's status remains an issue in international politics.

Regarding the rest of East Asia, China claims—and East Asian states increasingly believe—that its continued economic growth and domestic stability are predicated on deep integration with, and openness to, the regional and international economies. This grand strategy is often called "peaceful rise."[3] Indeed, the Chinese Communist Party's main claim to legitimacy is its economic record. China realizes explicitly that it would gain very little from starting conflicts with its neighbors but has much to gain from warmer ties.[4] As the best way to advance its interests, "peaceful rise" represents a pragmatic choice. But determining whether this strategy is merely tactical or whether it represents the true nature of China involves an assessment of its identity. In this respect, then, China's concern for sovereignty and nation building is arguably more important to its identity than are nationalistic memories of a "century of shame."

The East Asian states tend to share a view of China that is more benign than conventional international relations theories might predict. South Korea's foreign policy behavior is perhaps the most vivid example of this. Although China could threaten South Korea militarily, and North Korea actually does threaten South Korea, capitalist and democratic South Korea itself seems eager to embrace communist and authoritarian China and North Korea. Furthermore, South Koreans appear to feel more threatened by potential Japanese militarization than they do by actual Chinese military power. This has caused consternation and even anger in Washington because South Korea appears willing to pursue this strategy to the detriment of relations with its longtime democratic ally and protector, the United States.

Much of South Korea's approach to regional relations is based on its interest in avoiding a costly war or a collapse of the North Korean regime, which would directly harm South Korea. However, the key to explaining South Korea's seemingly perplexing foreign policy lies in Korean national identity. For many Koreans, their single most important foreign policy priority is unification of the divided peninsula, and this has led the South to prioritize economic engagement with North Korea and the integration of the peninsula as more important than pressuring the North over its nuclear weapons and missile programs. Indeed, both China and South Korea agree that engagement is the proper strategy to follow with North Korea, in contrast to the United States, which in the early twenty-first century focused on eliminating North Korea's nuclear and missile programs through a strategy of coercion and isolation. Furthermore, Korea has had a long history of close and stable relations with China and, in contrast, has not fully resolved its difficult relationship with Japan. Although South Korea has no intention of returning to the subservient role with China that it played for centuries, it also has little fear of Chinese military aggrandizement. South Koreans view peaceful relations with China as normal, and they are rapidly increasing cultural, economic, and diplomatic ties with China.

Southeast Asia also has a long history of stable relations with China, and in the present era all the states of Southeast Asia are rapidly deepening their economic and political relations with China. Southeast Asians also do not fear Chinese use of force, and their militaries are overwhelmingly focused on border control and internal defense. Even on issues such as the contested ownership of the Spratly Islands, the trend has been toward more cooperation, not less. Indeed, the Chinese, Vietnamese, and Philippine national oil companies are currently engaged in joint exploration in the Spratlys, and all the major claimants have formally agreed not to use force to settle their disputes. While much of this can be explained with reference to economic interdependence, the member states of the ASEAN and China have similar views about respecting sovereignty and about noninterference in national matters. The countries of Southeast Asia also have deep ethnic, cultural, and historical ties with China. This affinity, most notable in the extensive Chinese ethnic minorities in Southeast Asia known as the "bamboo network," is not only responsible for significant investment in China, it is also helping create a regional economy where Chinese growth and East Asian growth are thoroughly intertwined.

Japan's identity crisis lies at the heart of its foreign policy, best exemplified by the decades of speculation about whether or not it could become a "normal" nation. Because postwar Japan did not pursue military or diplomatic

policies commensurate with its economic power, observers within and outside of Japan have been unsure about whether this was temporary or permanent, and remain unsure about how Japan views itself and its role in the region. Japan is the one country in the region that has the material capability to challenge China, and Japan remains the most skeptical East Asian country regarding China. Japan will not lightly cede economic dominance to China, and it also remains unsure of Chinese motives. The course of Japan's grand strategy is in flux, and debate within Japan centers on how it should respond to China, on how it can best manage its alliance with the United States, and how it can balance the needs both for military power and economic wealth.

However, the East Asian states do not expect Japanese leadership in the region, and Japan itself is unsure about what its role in Asia should be. There is little in Japanese history, institutions, or worldview that would lead to the conclusion that it will attempt a leadership role today. Even after Japan became the world's second-largest economy, it did not challenge U.S. predominance but rather embraced it through a close security alliance. And Japan failed to translate its economic advantage into regional political leadership or even sustained goodwill with its neighbors. Despite Japan's more assertive foreign policy in the past few years, it remains deeply entwined in its alliance with the United States and is unlikely to directly compete with China by itself.

Finally, U.S. power complicates but does not fundamentally alter these East Asian dynamics. The United States remains the most powerful nation in East Asia, and all states—including China—desire good relations with it. Decisions the United States makes will have an impact on East Asian regional stability, and the United States has been increasingly debating its stance toward China. However, even the United States has not yet chosen an outright balancing strategy, and it is thus unsurprising that East Asian states also have not. Furthermore, East Asian states have generally not been eager for greater U.S. military deployments in the region, precisely because they view such deployments as the beginnings of a containment coalition against China. East Asian states also do not wish to be caught in the middle of a China-U.S. competition, and they do not want to be forced to choose between the two countries.

East Asian peace, stability, and accommodation of China is a puzzle because international relations theorists have traditionally associated the rise of great powers with war and instability.[5] Indeed, those scholars who emphasize material power—both military and economic—have long predicted that East Asian states would fear China and balance against it. Realism in all its variants, with its emphasis on balance of power politics, has had the most

consistently pessimistic expectations for East Asia. In 1993 Richard Betts asked, "Should we want China to get rich or not? For realists, the answer should be no, since a rich China would overturn any balance of power."[6] Twelve years later, John Mearsheimer confidently asserted that "China cannot rise peacefully . . . Most of China's neighbors, including India, Japan, Singapore, South Korea, Russia, and Vietnam, will likely join with the United States to contain China's power."[7]

Rival power–based theories have performed no better in their predictions. Those who argue that China's increased economic interdependence with the world will constrain its behavior are skeptical that this by itself can solve the security fears of East Asian states.[8] As John Ikenberry writes, "Economically, most East Asian countries increasingly expect their future economic relations to be tied to China . . . Can the region remain stable when its economic and security logics increasingly diverge?"[9] Although pragmatic interests are part of the explanation for East Asian stability, by themselves economic interests do not explain the variation in relations in East Asia. Indeed, increased economic relations between China, South Korea, and Japan have not had a noticeable impact on their political relations. Even power transition theorists argue that the most likely chance for conflict is in the context of a rapidly rising power. For example, Robert Powell writes that "rapidly shifting distribution of power combined with the states' inability to commit to an agreement can lead to war."[10]

In contrast to these power-based expectations, there is a vibrant body of work by scholars who specialize in East Asia that emphasizes the role of ideas in explaining aspects of East Asia international relations. Alastair Iain Johnston has argued that China is a status quo power, and that it is being socialized into the international system. Peter Gries explores Chinese nationalism and its effect on foreign policy, arguing that there is more to Chinese nationalism than merely memories of a "century of shame." Allen Carlson shows that Chinese conceptions of sovereignty have been changing during the reform period. Peter Katzenstein has studied East Asia's emerging regionalism and Japan's role within it, while Thomas Berger explores Japan's culture of antimilitarism. Studying Southeast Asia, Amitav Acharya has argued that a regional identity exists and has tangible consequences for regional cooperation.[11] As valuable as this work is, none of these authors have directly addressed what is arguably one of the biggest and most important issues for both scholars and policymakers in contemporary international relations: the consequences of China's rise in East Asia. This book aims to fill that gap.

Directly explaining why East Asian nations have accommodated China's rise, and why balance-of-power politics has not emerged, is important theo-

retically because it is interests and identity, not power, that are the key variables in determining threat and stability in international relations. Much scholarly discussion of China and East Asia has been unduly constricted in its explanatory power by remaining locked into a method that parses differences between various shades of realists and liberals, even as these same analyses emphasize factors such as historical memory, perceptions of China, and the beliefs and intentions of the actors involved. The debate over China's rise and what it means for international politics will most likely continue well into the future, and defining the terms of the debate is a critical first step in that process. The theoretical framework provided here helps to sharpen these seemingly endless paradigmatic debates by posing the central issues more clearly, isolating the important causal factors, and making falsifiable claims.

Identity is more than merely the sum of domestic politics; it is a set of unifying ideas that focus primarily how a nation perceives the world around it and its place within it.[12] Gilbert Rozman defines national identity as "a statement of the uniqueness of a particular nation-state, investing it with authority and separating it from other states that may seek to influence it."[13] National identities are constituted through two basic means: current interactions between countries, and the narratives that they tell about their national pasts.[14] That is, nations do not exist in myopic isolation from other nations, and identities are constructed in the context of their histories and current interactions. Thus ascertaining what is China's identity, what it cares about, and how other East Asian states view it is possible only by taking the East Asian experience on its own terms.

This book's central focus on identity does not preclude acknowledging other causal factors. Pragmatic interests over specific issues have an immediate impact on state relations, and I note their impact throughout the book. Military and economic power are also important, by providing the constraints within which states make choices. Indeed, some "defensive realists" are fairly optimistic about the future of East Asia, emphasizing nuclear deterrence and geography.[15] However, more important than power itself is what states want to do with that power. By incorporating the role of interests, identity, and power into our explanations, I build on an emerging tradition that looks for interconnections between causal factors, rather than isolating one factor at the expense of others. As Peter Katzenstein and Nobuo Okawara have written, "The complex links between power, interest, and norms defy analytic capture by any one paradigm. They are made more intelligible by drawing on different paradigms. . . ."[16]

Critics respond to explanations for East Asian stability by claiming either that East Asian states are too small to balance China, or that thirty years is

not enough time to see balancing emerge.[17] Yet both these rejoinders are ad hoc arguments resting on an assumption of fear that is empirically unfounded; and they are an admission by realists that their theories do not explain East Asia. Most importantly, the assertion that small states inevitably fear larger states is contradicted by a large body of scholarship that probes whether and when this might be the case.[18] Empirically, small states rarely capitulate in the face of overweening power. North Korea continues to defy intense U.S. pressure, Vietnam fought China as recently as 1979 when their interests diverged, and the Japanese started a war with the United States they knew beforehand that they could not win, and continued to fight long after the outcome was certain.[19] At a minimum, the onus is on those who argue that East Asian states are too small to balance, to show empirically that these states actually fear China, that these states searched all available internal and external balancing options, and ultimately decided that capitulation was the best policy to follow. Anything less is not a serious analytic argument, but rather an admission by realists that their theories about balance of power do not apply.

The rejoinder that balancing will happen in the future has similar theoretical problems. Realists themselves argue that states are highly concerned with future possibilities and prepare for those contingencies today—indeed, the core of the security dilemma derives from fears of the future even if the present is peaceful.[20] In less than three decades China has gone from being a moribund and isolated middle power to being the most dynamic country in the region, with an economy that shows many signs of continuing to grow. By realist standards, China should already be provoking balancing behavior, merely because it is already so big and its potential rate of growth is so high. Yet as this book will show, this dramatic power transition has evoked little response from its neighbors. Five or even ten years of Chinese growth would be too early to draw conclusions; but as decades accrue, the argument that balancing is just around the corner becomes less plausible. Furthermore, this rejoinder—like that of "too small to balance"—also assumes fear on the part of smaller states, a highly questionable assumption in general and certainly with respect to East Asia. Beliefs of states must be empirically demonstrated, not asserted. As this book will show, fear is not the dominant attitude toward China. Thus it is a fair and important question to ask why East Asia has not already balanced China.

However, even though most major trends over the past three decades have led to more stability and cooperation in East Asia, there is no guarantee that those trends will continue indefinitely. Indeed, any discussion about China and East Asia's past and current relations invites speculation about

what the future might hold. Most important for this book is to note that concerns about how China might act a generation from now center on identity, not power. That is, much of the speculation about China's future course focuses on the consequences that might follow if China becomes a democracy, how the Chinese Communist Party might evolve, and how Chinese nationalism and its interactions with other states will evolve—all of which are aspects of national identity. However, this book is not an attempt to predict the future, it is concerned with explaining outcomes of the past decades. The policies that China, the United States, and East Asian countries take today will affect how the region evolves. The security, economic, and cultural architecture of East Asia is clearly in flux, and how China and East Asian states might behave in the future when circumstances are fundamentally different is an open question, and an exercise with limited intellectual utility.

A final important issue is to actually define the region itself. This book takes as its locus of inquiry the East Asian region, defined as the states of Northeast Asia (mainly Japan, China, and the two Koreas) and Southeast Asia (mainly Taiwan, the states of ASEAN, and Australia and New Zealand). Defining what comprises the region is of more than semantic interest, because we would expect that the processes within the region would be different from those outside of it, and that states would interact differently with states inside or outside of the region. That is, the pattern I elucidate in this book is occurring only in East Asia, and extra-regional states such as India and Russia do not have the same basic views or interests as those within East Asia itself.[21] While extra-regional states often interact with those in East Asia, their main concerns and issues are different. As chapter 8 will discuss in greater detail, one major question about the United States is whether it is, in fact, an East Asian state, or whether it is a global actor with regional interests.

Events within the region can have an impact on states outside of it, but those events are not of primary concern to extra-regional states. Okawara and Katzenstein write that "regions are combinations of physical, psychological, and behavioral traits."[22] As Robert Ayson notes, "The widely inclusive membership of the Asia Pacific Economic Cooperation (APEC) is too wide to be analytically useful, including as it does Latin America as well as those states in East Asia."[23] Barry Buzan and Ole Weaver define regional security complexes as a set of "geographically proximate states . . . [characterized by] the relative intensity of security interdependence among a group of units, and security indifference between that set and surrounding units."[24] That is, in a region, the units are primarily focused on the interactions and issues that occur between the units, and relatively less concerned with issues that occur outside that set of states.

For example, some scholars have argued that India is an East Asian state.[25] However, India is first and foremost concerned with its relations in South Asia, most notably the Indo-Pakistani relationship. India, like other nonregional actors, has no direct impact on the major issues in East Asia, such as the future of Taiwan or the North Korea nuclear problem. Furthermore, although India has increasingly joined some East Asian regional institutions such as the East Asia Summit, its influence in the region remains peripheral at best. As will be discussed below, if Indian economic growth continues over the next few decades, it is possible that India will become a major actor in East Asia. For the time being, however, its influence is more prospective than actual, and thus we would not expect India to interact with China in the same manner as East Asian states, which must account for China directly and daily.

CHINA'S AMAZING RISE

Although China is unlikely to replace the United States as the most technologically advanced and militarily dominant country in the world within the foreseeable future, this does not mean China is weak. China is already very strong and very big, and centrally situated in East Asia. By virtue of its population, geography, economic growth, and military power, China is already a major actor in East Asia, and by some measures it is already the largest and most powerful.

Measuring China's size is difficult, and estimates vary widely. From 1978 to 2003, China averaged 9.7 percent growth, while Japan averaged 1.2 percent.[26] The World Bank estimates that from 1978 to 2005, Chinese economic growth lifted 402 million people out of poverty (defined as living on one dollar a day)—the largest poverty eradication in history.[27] The CIA uses a purchasing power parity estimate (PPP), which produces a 2005 Chinese gross domestic product (GDP) of $8.85 trillion, versus $4.01 trillion for Japan. PPP reflects the price of a commodity (or a bundle of commodities) that is the same between countries, when expressed in a common currency. The exchange rate used in converting GDP of one country to another for the purpose of inter-country comparison does not normally reflect the purchasing power parity (PPP), because many commodities are not traded internationally. Measured by exchange rates, China's economy in 2005 was $2.22 trillion, compared to $4.50 trillion for Japan.[28] Using exchange rates to compare across countries has its problems, as the Organisation for Economic Co-operation and Development (OECD) notes, "primarily because exchange

rates reflect so many more influences than the direct price comparisons that are required to make volume comparisons."[29] Indeed, China has been under intense pressure by the United States to revalue the *renminbi*, and most economists believe that it may be undervalued by 15–40 percent. If so, the corresponding exchange rate measure of China's economy is also undervalued by a similar amount.

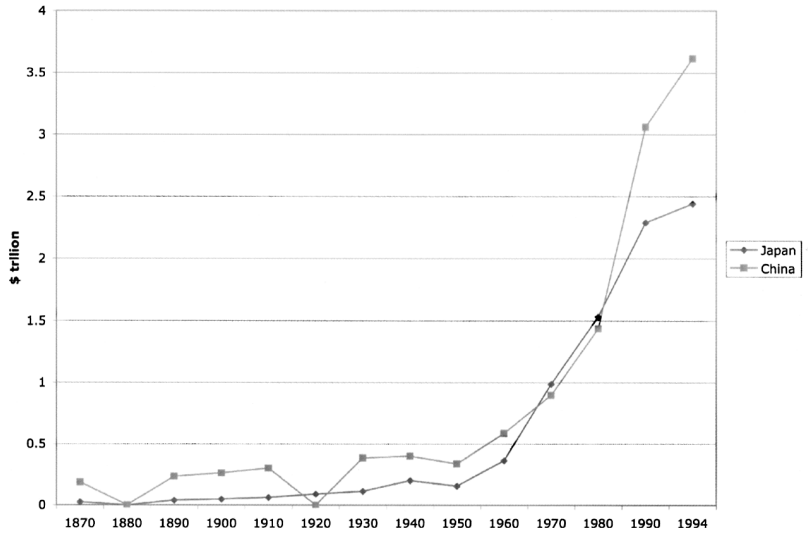
Hongkong and Shanghai Banking Corporation estimates that bank assets in China will surpass those in the United States in 2034, while Goldman Sachs estimates that China's GDP will surpass that of the United States by 2045.[30] Such predictions are speculative at best, and there exist any number of factors that could derail these predictions. However, China does not have to catch up to the United States in order to project influence. Richard Betts makes this argument clearly: "It is not inevitable that recent average rates will continue indefinitely, but if they do, the long-term prospects for the balance of power—global as well as regional—are staggering. If the country [China] ever achieved a per-capita GNP just one-fourth that of the United States, it would have a total GNP *greater* than that of the United States. Even by conservative estimates, the prospects of China as an economic superpower are not remote."[31]

In fact, by some conventional measures of great power status, China has surpassed Japan already. These measures include population, geography, military spending, and absolute size of GDP as measured by consumption. Angus Maddison has performed perhaps the most careful estimates of historical trends in GDP across countries.[32] He uses an approach developed by Roy Geary and Salem Hanna Khamis based on purchasing power parity and international average prices of commodities. By his estimates, China is already far larger than Japan, and historically, only during the Cold War was Japan's economy larger than China's (see Figure 1.1).

Another way to measure size is to use an aggregate of national power, which includes more discrete criteria than just a measure of the size of a country's economy as a whole. One dataset widely used by political scientists is the Correlates of War project.[33] This dataset on national material capabilities—the Composite Index of National Capability (CINC)—contains annual values for total population, urban population, iron and steel production, energy consumption, military personnel, and military expenditure of all states from 1816 to 2001. This measure of comprehensive national power shows that China far outstrips Japan in overall strength (see Figure 1.2).

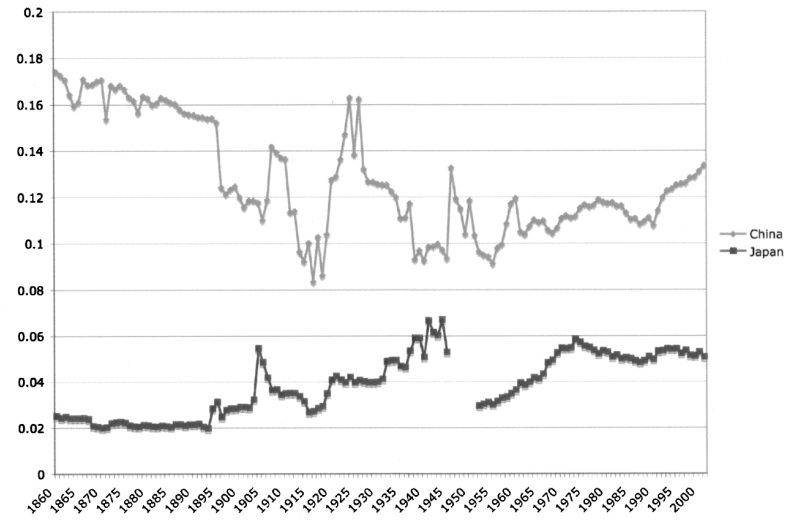
China's growth as a technological and economic competitor to Japan is evident in other areas, too. China's share of world consumption overtook Japan's in 2005, notes economist David Hale.[34] Already China has displaced

FIGURE 1.1 JAPANESE AND CHINESE GDP, 1870–1994 (TRILLION 1990 GEARY-KHAMIS DOLLARS)



SOURCE: ANGUS MADDISON, *MONITORING THE WORLD ECONOMY, 1820–1992* (PARIS: DEVELOPMENT CENTRE, ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, 1995), TABLE C-16A.

FIGURE 1.2 COMPREHENSIVE INDEX OF CHINESE AND JAPANESE NATIONAL POWER, 1860–2001



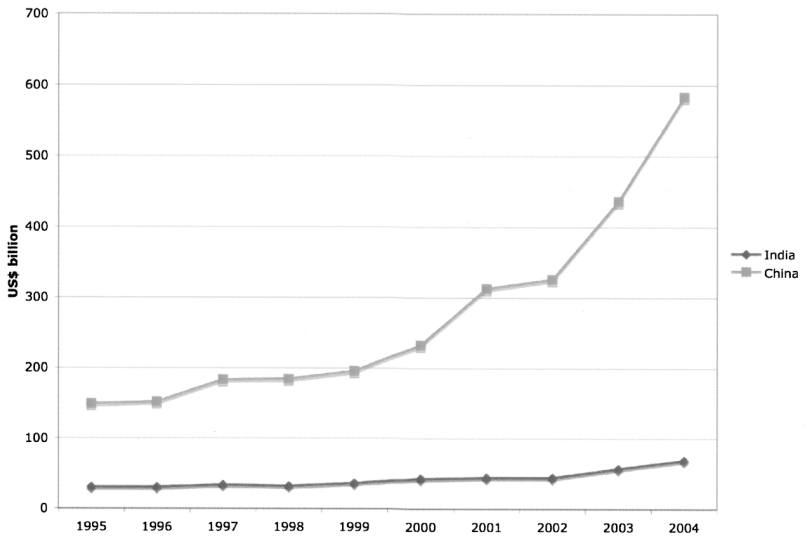
SOURCE: J. DAVID SINGER, "RECONSTRUCTING THE CORRELATES OF WAR DATASET ON MATERIAL CAPABILITIES OF STATES, 1816–1985," *INTERNATIONAL INTERACTIONS,* 14 (1987): 115–32, UPDATED DATASET AT THE CORRELATES OF WAR PROJECT, HTTP://WWW.CORRELATESOFWAR.ORG/.

Japan as the world's second-largest oil consumer.[35] In trade, China has rapidly closed the gap with Japan, and appears to be on course to overtake it as the leading exporter in Asia within the next few years.[36] The capitalization of China's stock market is the largest in Asia except for Japan's, despite being just a decade old. In fact, it has a larger capitalization than stock markets in Brazil, Hong Kong, India, Mexico, South Korea, and Taiwan.

By other measures, however, China remains a developing country far behind Japan. Gross capital formation is one such area. In the measure of manufacturing value added, Japan adds far more value than does China. Finally, in terms of per capita income, China remains a third-world country. Even when measured at purchasing power parity, Chinese per capita income is far smaller than that of Japan: $5,000 versus $28,000.[37] Using market rates, the World Bank estimates Chinese per capita income in 2002 at $944, compared to almost $45,000 in Japan.

On the other hand, China remains by most measures far ahead of India, another country that is often compared to it as a potential economic superpower. According to the World Bank, in 2005 China's GDP was $2.2 trillion, while India's was $785 billion, a difference of over $1 trillion.[38] From 1994 to 2004, China averaged GDP growth of 8.5 percent, compared to India's 5.6

FIGURE 1.3 CHINESE AND INDIAN EXPORTS, 1995–2004



SOURCE: NATIONAL BUREAU OF ASIAN RESEARCH, STRATEGIC ASIA ONLINE, WWW.NBR.ORG

percent.[39] China's exports are more than five times those of India, and the gap is widening, not decreasing (see Figure 1.3). In other indicators of development, China also remains far ahead. China had an estimated 94 million Internet subscribers in 2004, compared to 14 million in India. China consumed three times as much energy in 2004 as did India. Chinese life expectancy in 2004 was 72.2 years, compared to 63.6 years in India, while literacy in China was over 90 percent, compared to 59 percent in India.[40] Thus, while India may at some point in time become a global competitor to China, at present India remains a regional economic power in South Asia, similar to Brazil's position in Latin America. India has not yet become a global economic force with a significant impact on other regions, such as East Asia.[41]

In sum, although China is not yet a mature, advanced economy, on a number of criteria important for international relations it is clear that China may soon be the dominant East Asian state. China is already a large presence in economic markets around the globe. Its population and landmass make it an important demographic power regardless of its level of development. China's nuclear arsenal and military are among the largest (although not most advanced) in the world, and exceed those of any other East Asian state.

ORGANIZATION OF THIS BOOK

The book is divided into three parts. Part I provides the theoretical basis for the argument, beginning, of course, with an overall examination of the Chinese "puzzle" above. Chapter 2 presents the theoretical ideas in more detail, and uses the previous six centuries of Asian international relations to show that balancing has not historically characterized East Asian international relations. Chapter 3 describes the situation in East Asia today. Focusing on East Asian state strategies toward China, chapter 3 concludes that states are accommodating China rather than balancing against it.

Part II examines why East Asian states are not balancing China. Chapter 4 asks what China wants, and shows that China has embarked upon a reassurance and engagement strategy with the rest of East Asia, precisely to mitigate fears in the other East Asian states over its intentions. Chapter 4 further discusses the complex issue of Taiwan's identity in East Asia. Chapter 5 explains why South Korea—one of the closest U.S. allies in the region and vulnerable to Chinese influence—is reconsidering its alliance with the United States and growing closer to China. Chapter 6 explains why most East Asian states believe China's claims, showing why the states of ASEAN are leaning toward China and avoiding an outright alliance with America. Chapter 7 ex-

plores Japan's identity problem, explaining why Japan—the largest potential balancer to China—is not challenging its emerging influence in the region.

Part III looks at the U.S. role in East Asia and draws theoretical and policy conclusions. Chapter 8 looks at the United States in East Asia and explains why it has not chosen to balance Chinese power. This chapter further explores whether it is the U.S. military presence that allows East Asian states to avoid balancing China. Chapter 9 revisits the theoretical basis for this book, and asks what the future may hold for East Asia.

CHAPTER 2

POWER, INTERESTS, AND IDENTITY IN EAST ASIAN INTERNATIONAL RELATIONS, 1300 TO 1900

Great powers rise and fall, and the causes and consequences of that have long been a central issue in the study of international relations. The general expectation is that rising powers cause instability by threatening neighboring states. Most of what scholars know about this issue, however, is based on the European experience from the seventeenth to nineteenth centuries, when five or more powerful states contended for domination of both Europe and the globe. While it is possible that the European experience will replicate itself in other regions of the world, it is important to pose this not as a certainty, but as a general theoretical question: When and under what conditions do rising, powerful states threaten smaller states?

Although military and economic power is clearly one factor in determining whether states are threatening, material capabilities do not necessarily lead straight to intentions. There are costs and benefits associated with rising powers, and while stronger states can do more than weaker states, their intentions may vary quite widely. For example, a powerful, revisionist China seething with resentment would prompt different responses from East Asian states than would a powerful, status quo China that desired peace and stability. As a result, states are constantly engaged in the process of deciding how to judge and interpret other states' actions for the meanings and intentions behind them.

This book places central causal emphasis on the role of national identities in shaping how states determine and respond to threats in international relations. Although an emphasis on the role of ideas is most commonly associated with constructivist theories, scholars working from diverse perspectives emphasize ideas as well. Although rationalists take preferences as given,

while constructivists endogenize them, James Fearon and Alexander Wendt note that "the rationalist recipe . . . embraces intentionality and the explanation of actions in terms of beliefs, desires, reasons, and meanings. . . . there is little difference between rationalism and constructivism on the issue of *whether* ideas 'matter.' "[1] In fact, it is only the strictest of structural and material theories that ignore the importance of ideas, and those approaches have come under increasing criticism from a variety of theoretical perspectives.[2] As Robert Powell writes, "Although some structural theories seem to suggest that one can explain at least the outline of state behavior without reference to states' goals or preferences . . . in order to specify a game theoretic model, the actor's preferences and benefits must be defined."[3] The most sophisticated theoretical treatments from both the rationalist and constructivist paradigms have concluded that understanding preferences and identity is vital to being able to draw any conclusions about state behavior.

For example, Stephen Walt has argued that perceptions of threat are more important than pure power in determining threats and alliance behavior. Andrew Kydd has shown that trust and perception are the key variables affecting the intensity of security dilemma. Jacek Kugler emphasizes that the key variable in power transition and preventive war theories is satisfaction with the status quo.[4] Formal theorists have identified the information problem and the commitment problem as the two main causal mechanisms that could lead to interstate war—both of which are ideational.[5] In each of these cases, scholars have emphasized the importance of perceptions, beliefs, and intentions in the determination of threats.

INTERESTS, IDENTITIES, AND THREATS

To emphasize the importance of identities is only to recognize that interests and beliefs can vary widely. It does not preclude pragmatic interest-based foreign policy, but rather focuses research on determining which interests states judges as most important, and why. Powerful states pose both opportunity and threat, and the fundamental strategic conundrum confronting a smaller state when it faces a powerful neighbor is this: if the dominant state is essentially benign, the smaller state would prefer an accommodating stance that allows it to benefit from warm relations with its neighbor. The smaller state will be able to spend less on defense if it does not fear the larger state, and the smaller state can economically benefit from close ties to the larger and growing power. However, if the powerful state is essentially

expansionist and dangerous, the smaller state would prefer to take a more cautious stance toward the more powerful state, in order to protect itself. The calculation about threats that a smaller state makes is thus a function of what it believes is the more powerful state's beliefs about its role and interests in international relations, and not necessarily the fact that its neighbor is powerful. It is quite possible that a powerful state will not pursue conquest and empire even if it has the potential to do so. For example, James Fearon notes that it is reasonable to assume that states pursue and satisfy safety, income for their citizens, and perhaps a number of other goals in addition to power.[6] In a system of unequal (or "unbalanced") power, it is not just security and economic relations, but also the intentions and preferences of both dominant and secondary states, that are the key to threat perceptions.[7] Formal theorists have devoted considerable energy to exploring the various ways in which states make assessments of intent, emphasizing problems such as information, commitment, and reassurance.[8]

Thus, a key question is, What are China's intentions, and how do East Asian states perceive them?

Although interests over specific issues are one component in determining a state's overall grand strategy, the process of enduring relations between states is longer, deeper, and broader. Over time, states base their assessments and subsequent strategies not only on specific goals of other states, but also on their deeper belief about what is that state's identity and what are appropriate actions in international relations.[9]

The myopic, arms-length transmission of information about interests is only part of what states face. Moving beyond interests is important for two reasons. First, preferences may not be fixed and unchanging. Although it may be analytically convenient to assume fixed and given preferences over one specific issue, in reality preferences may be malleable for any number of reasons. Second, preferences are issue-specific, but states have to develop grand strategies: that is, they have to decide how to interact with other states over time and across a range of known and unknown issues both current and future. States do not assess other states' preferences *de novo* over each issue—they also develop an overall assessment of the others' identities and beliefs.

An identity is how a nation defines itself in the world, what it thinks is an appropriate role and actions for itself and others, and is a "relatively stable understanding and expectation about self and others . . . [that is] socially constructed."[10] Although preferences may derive from identities (or beliefs), the relationship is not straightforward. Rather than being separate, strategy

and choice are fundamental to the social construction of identity.[11] National identities are constituted through two basic means: current interactions between countries, and the narratives that nations tell about their national pasts.[12] States do not exist in isolation from one another; they interact constantly, deciding not only what they want, and what is appropriate, but also who they "are," and who others "are." To explain how states determine threats, we need to explore identities.

One way in which international relations theories incorporate identity into theories of threat in the context of a rising power lies in the distinction between status quo and revisionist states. Definitions of status quo and revisionist powers vary, but they tend to center on the satisfaction of a state regarding the current international order.[13] That is, the main driver of instability is the difference between the desired situation and the status quo: the greater the difference between the two, the greater the likelihood that a state will use force to redress the difference.[14]

James Lyall points out that the issue of status quo and revisionist states actually involves an identity variable: "theories [that] make extensive use of the distinction between status quo and revisionist states . . . rely heavily on pre-given and fixed identities to generate predictions about state behavior."[15] Alastair Iain Johnston writes that "convergence in the behavior of the participants in a social interaction may often have little to do with exogenous constraints and a lot to do with socialization."[16] Lyall notes that these beliefs are normative in nature—such as the "shared standards that govern membership in the international community . . . rules that govern the use of force . . . and the existing hierarchy, whether rooted in relative material strength or status (or both)."[17] Johnston measures status quo or revisionist powers by two main tendencies: 1) the rate and quality of a state's participation in international organizations and whether it tries to undermine or abide by existing rules and norms, and 2) a clear preference for the radical redistribution of material balance of power. Peter Katzenstein calls this the "social purpose of power."[18]

Thus another key question is, What are East Asian identities, can they accommodate China, and do they want to?

I measure identity in this book using widely accepted social science approaches. Opinion polls are one useful way to provide a view of a country's attitudes at one moment in time. Yet opinions can change, and polls do not measure the depth or durability of such opinions. Other measures, such as statements and speeches, are a good source for ascertaining the preferences and opinions of political and economic rulers. Finally, one must also look at

what a country actually does in its military deployments, economic policies, and diplomatic relations.[19]

MATERIAL VIEWS OF INTERNATIONAL RELATIONS

A realist approach, which is a common alternative to the theoretical path followed in this book, emphasizes balance of power politics. In this view, intentions flow directly from capabilities, and the more powerful a state is, the more threatening it is. Although there are an almost infinite variety of "realisms," they tend to coalesce around a core argument that power is threatening (if not today, then potentially in the future), and that smaller states will group together to balance the power of the most powerful state.[20] As Kenneth Waltz writes, "hegemony leads to balance . . . through all of the centuries we can contemplate."[21]

However, recent scholarship has shed serious doubt on the balancing proposition as a default prediction in international relations.[22] Scott Bennett and Allan Stam subjected the realist balancing model to empirical testing across regions and over the past 150 years. Although the balancing model works well in Europe, they find that "significant differences in preferences for conflict exist across regions," and there is "no support for the argument that [Asian] behavior will converge on that of Europe. In fact, all of the regions outside of Europe appear to diverge from the European pattern [of classical balance of power]."[23]

There are sound theoretical reasons to doubt whether balancing behavior is homogeneously distributed across regions, and thus there is no theoretical reason to think that because Europe has a history of balancing, East Asia must see balancing in the future as well. Writing about different behavior across regions, Bennett and Stam note that "it is *not* that the actors are not rational, even though a universal model may fail. Rather, they simply are not playing the same game with the same preferences."[24] Without understanding states' identities and the nature of their interactions with other states, it is impossible to explain differential stability across regions.[25]

In addition to large quantitative studies, recent research on such disparate historical epochs as the Iron Age Fertile Crescent, Warring States China, pre-Colombian Mesoamerica, Ancient India, Greece and Persia, and ascending Rome has also shed doubt on the universality of the balancing proposition.[26] As Stuart Kaufman, Richard Little, and William Wohlforth conclude, ". . . the unipolar outcome is not necessarily an unstable one . . . [and] a survey of 7500 years of the history of international systems shows that balanced and

unbalanced distributions of power are roughly equally common. There is no iron law of history favoring either a balance of power or hegemony."

In concert with this research, this book will show that the balancing hypothesis finds little empirical support in modern East Asia. Both power and preferences are important, and it is not helpful to view one factor in isolation from the other. The issue for the study of East Asian international relations is not whether stability can accompany China's rise, but rather why China's rise has thus far been peaceful, despite predictions to the contrary.

EAST ASIAN INTERNATIONAL RELATIONS, 1300–1900

To explain why East Asia has become increasingly stable since the late twentieth century, one must first examine how its states arrived there. This brief overview will show how power, politics, and ideas have worked in the historical context of East Asia, and set the stage for subsequent chapters that focus on the most recent three decades. History, and the manner in which it is interpreted in the present, are major elements in how states develop beliefs about themselves and the world.[27] If the interests and identities of the actors are important variables, then an ahistorical view of modern East Asia that merely considers capabilities and ignores the evolution of these states is likely to be profoundly misleading. Although much has changed in East Asia since the fourteenth century, it is worth asking whether and how states' interests and beliefs have changed and how they inform their goals and beliefs today. To ignore what the evolution of these states tells us about international relations is at best an oversight; at worst it reveals an unwillingness to engage the reality of East Asia's own dynamics. Whether the past has any bearing on the present is an open question, to be sure; but the debate should be held first, before one arrives at any conclusions.

Indeed, for too long international relations scholars have derived theoretical propositions from the European experience and then treated them as deductive and universal. This book builds on an important new line of research that corrects this scientifically indefensible parochialism.[28] However, even this research has paid little attention to a major historical epoch—the East Asian international system from 1300 to 1900. As a result, scholars may still underestimate the challenges a truly unbiased assessment of non-European international history presents to the conventional scholarly wisdom. For, whereas in many other international systems balance of power processes occurred but were overwhelmed by other causal forces, in the East Asian international system such processes barely registered in historical evi-

dence. If balance of power theory is misleading in the other cases, in this case it is profoundly and fundamentally wrong.

Coming to grips with the historical East Asian system is important not only for theory but for contemporary policy analysis. Today's East Asian system is often discussed as if it emerged fully formed—like Athena from the head of Zeus—in the post–World War II and postcolonial era. To date, scholars have rarely described the main features of this system.[29] But if anything, many East Asian countries have been geographically defined, centrally administered political units for longer than those of Europe. To ignore the evolution of these states is at best an oversight; at worst it reveals an unwillingness to engage the reality of East Asia's own dynamics.[30] To explain East Asian international relations in the twenty-first century, we should begin by exploring how the region got to where it is today. Indeed, discussion of the contemporary global system might also benefit from comparison with this relatively recent example of political-military as well as economic hegemony. As Barry Buzan and Richard Little write, "existing frameworks in IR [international relations] are seriously crippled by their failure to build on a long view of history."[31]

In this section I introduce the international system of early modern East Asia, assess the role of balancing in the larger pattern of the system's interactions, and provide a theoretical explanation for the absence of balancing dynamics and the system's overall stability based on a logic of ideas that contradicts the core assumptions of neorealism.

The section is organized into three main parts. In the first, I describe the system and its constituent units. A generation ago, it might have been possible to dismiss the evidence concerning early modern East Asia as not truly probative for international relations theory because it was not a "real" system, the chief actors did not interact enough, or they were not state-like enough. This view is no longer tenable. New research tends to support the contention that this is a system to which international relations theory, and balance of power theory in particular, ought to apply.

Balance of power theory, however, cannot account for behavioral dynamics of this system, which I establish in the second section. Between 1300 and 1900, China's preponderant power never generated balancing behavior. If the system moved toward equilibrium, it was not as a result of balancing processes but rather as the outgrowth of domestic Chinese weakness. Other actors did not generally use these windows of opportunity to rein in Chinese power. Instead, Chinese decline led to periods of generalized chaos and conflict in East Asia. When China was strong and stable, order was preserved. Until the intrusion of the Western powers in the nineteenth century, East

Asian international relations were remarkably stable and peaceful, punctuated only occasionally by conflict between countries.

In the third section, I explain this behavioral pattern. The key is that East Asian international relations emphasized formal hierarchy among nations while allowing considerable informal equality. This system was materially based and was reinforced through centuries of cultural practice. With China as the dominant state and the peripheral states as secondary states or "vassals," as long as hierarchy was observed there was little need for interstate war. This contrasts with the Western tradition of international relations that consisted of formal equality between nation-states, informal hierarchy, and almost constant interstate conflict.

THE SYSTEM

In a study such as this, which covers a large, relatively understudied region over many centuries, it is important to be self-conscious about the limits and extent of the inquiry. In this section, I delineate the geographical scope of the Asian system, identify the key actors, assess the rough distribution of capabilities, and begin to establish the intensity of interactions among the system's constitutive actors.

GEOGRAPHICAL SCOPE

The geographical domain of East Asian international relations studied in this chapter begins with Manchuria in the north, the Pacific to the east, the mountains of Tibet to the west, and the nations of Thailand, Malaysia, and Indonesia running south. This study focuses mainly on the region comprising Japan, Korea, China, and Vietnam. Other countries that were sufficiently involved in the system to warrant discussion include Siam, Indonesia, the Philippines, the Ryukyus, and Malaysia. These countries were the major actors in the system (see Table 2.1).

This chapter focuses on the main political units that constituted the East Asian region from the fourteenth to the late nineteenth centuries. Some other actors existed, including the nomadic Uighurs and Mongols, and powerful pirate clans, but these will be discussed only in terms of their influence on great power relations. This study does not highlight these nonstate actors, for the same reason that studies of the European Westphalian system do not focus on Barbary pirates or Catalan separatists.[32] In addition, the time period

TABLE 2.1 EAST ASIAN POLITICAL SYSTEMS, 1200–1900

	CHINA	JAPAN	KOREA	VIETNAM	THAILAND	TAIWAN	MALAYA	JAVA	PHILIPPINES
1200	1279–1368: Yuan	1160–1333: Kamakura	918–1259: Koryo	939–1407: Champa and Nam Viet	1238–1350: Sukhothai	Thai domination	1222–1293: Singosari		
1300		1333–1573: Ashikiga	1392–1910: Choson		1350–1782: Ayuthia			1293–1520: Majapahit	
1400	1368–1644:	Ming		1407–1427: Chinese rule 1427–1787: Le Dynasty		1402–1511: Malacca		Majapahit influence	
1500							1511–1641: Portuguese Malacca		1571: Spanish colony
1600	1644–1911: Qing	1603–1868: Tokugawa				1662–68: Dutch 1683–1895: Chinese	1641–1796: Dutch Malacca district		1619: Dutch colony
1700					1782: Chakri		1796: British colony		
1800		1868: Meiji		1802–1955: Nguyen Dynasty and French colony		1895–1945: Japanese colony			1898: U.S. colony

of this study is restricted to roughly the six centuries from 1300 to 1900—a period that covers the Chinese dynasties from the end of the Yuan, the Ming, and finally the Qing. China—and East Asia—has millennia of history, and this study no more attempts to explain earlier historical periods such as the "Warring States" period in China (481–221 B.C.) than a study that focuses on Napoleonic-era Europe would attempt to explain the foreign policy of third-century Visigoths.[33]

THE MAJOR ACTORS

Political units comprising the East Asian international system of the past millennium have been recognized sovereign entities with power over a geographic area. As Lien-sheng Yang wrote, "there is no doubt that China had at least a vague concept of state (*kuo*) by late Chou times (BC 400)."[34] Korea, Vietnam, and Japan historically have used the word for "country" (Korean *kuk*, Chinese *kuo*, Japanese *koku* or *kuni*, and Vietnamese *quoc*; all derived from the same Chinese character) to refer to each other and to China since well before the Song dynasty. Korea has a long history of sovereignty. Although Korea was occupied by the Han dynasty around 100 B.C., the Silla dynasty unified the peninsula in 668 A.D., and since that time Korea has existed separately from China and Japan.[35] The Korean embassies to Japan referred to the Tokugawa shogunate as *Ilbon kukwang* ("king of Japan"), while the Korean king was known as *Hankuk kukwang* ("king of Korea").[36] These three states together with Vietnam constituted the inner core of the Chinese-dominated regional system. In these four, the Chinese cultural and political influence was direct and major.

There were other states in the system that did not experience the same Chinese influence. Geographically more distant from China, states such as Siam, Java, the Ryukyus, and Burma engaged in extensive relations and interactions with the other states, and followed some Chinese norms and practices in dealing with other states, but were not directly influenced by Chinese culture and politics to the same extent as were Japan, Korea, and Vietnam.[37] Although not as tightly incorporated into the Sinocentric system, these states were deeply incorporated into the China-centered regional economy. Janet Abu-Lughod writes, "From the time the southern Sung [Song] first took to the seas in the late twelfth century . . . the petty kingdoms of the [Malacca] strait . . . changed from "gateway" to dependency . . . the Strait area must be conceptualized, at least in part and in the preceding centuries, as a dependency of China."[38]

OTHER POLITICAL ACTORS

In addition to the main political units that conducted international relations, there were other significant political or military actors in the region. Of these, the most important were powerful pirate clans, known in Japanese as *wako* (Korean *waego*, Chinese *wokou*). The *wako* were never considered a legitimate or alternative political entity, however, and they were never a political threat to Japan, Korea, or China. Indeed, dealing with the *wako* was one of the main factors that caused coordination among these countries—as the analogous problem of piracy eventually was to do among European states in the eighteenth and nineteenth centuries.

The *wako* had two major periods of activity—the mid-fourteenth century and the early seventeenth century. *Wako* ("invaders from Japan") were originally petty military families from the western islands in Kyushu. Bands of as many as three thousand intruders would pillage granaries, attack towns, take slaves in Korea and China, and interrupt trade. *Wako* roved as far south as the Yangtze Delta, Fujian, and Guangdong. The Chinese emperor Hongwu (reigned 1368–1398) warned the Japanese that he would send forces to "capture and exterminate your bandits, head straight for your country, and put your king in bonds" unless the *wako* raids were stopped.[39] The Koreans as well sought the cooperation of the shogunate to repress the *wako*, sending a number of embassies in the late fourteenth century to Japan. In fact, foreign relations between Japan and Korea at this time were essentially initiated because of the piracy issue.[40] The Koreans licensed a certain number of Japanese ships each year to trade with Korea; since trade was valuable, the Japanese had an incentive to rein in the *wako*.[41]

As Shoji Kawazoe writes, "the problem of suppressing piracy and the development of the tribute system that accompanied the founding of the Ming dynasty were the common threads running through Japan's relations with Choson, and Ming China."[42] Official relations between Korea and Japan covered protocols about how to deal with the return of Koreans or Japanese who were captured by pirates or those (known in Korean as "*Pyoryumin*") who accidentally landed in the other's country.[43] With the consolidation of the Ashikaga shogunate (1336–1573), the *wako* were severely weakened, and by the early fifteenth century, the *wako* had become more of a nuisance than a threat. However, a century later, a resurgent tide of pirates was afflicting Korea and China. Focused more on China than Korea, this later wave of *wako* attacked Fujian and other southern regions of China.[44] In large part, the resurgence of pirate raids caused the Ming to officially sever relations

with Japan in 1621.[45] As the central governments of East Asia became more powerful and exerted great control, the *wako* eventually died out.

The main actors in the system were therefore national states that conducted formal, legal international relations with one another, and for whom international recognition as a legitimate nation was an important component of their existence. For example, the Korean Choson court divided foreign contacts into four grades, and several statuses within these grades. These grades corresponded not only to different diplomatic statuses and rights, but also entailed different trading and commercial rights. The highest-grade officials, for example, were allowed to outfit up to three ships for trade, "and also move an unlimited amount of that cargo . . . but Korean officials severely restricted the volumes of official trade permitted contacts in the two lower grades."[46] Entry into the country was governed by an official seal, and there are even reports of various attempts to forge diplomatic seals in order to gain better trading benefits. The other political actors such as pirates were a part of the system, but more as a cause of relations than a viable political alternative. Thus national states of varying size and technological capability existed in an international system based on formal recognition and regulated by a set of norms. As we shall see, from Japan to Siam, and for well over six centuries, this system functioned in essentially the same manner.

THE DISTRIBUTION OF CAPABILITIES

Material power was a major component of the medieval East Asian international system. China was the largest and most advanced country, and had the capability to move armies of hundreds of thousands of troops across water. In balance of power terms, it represented an existential hegemonic threat through most of the over half-millennium period discussed here.

China was by far the largest, most powerful, and most technologically advanced nation in East Asia, if not the world. China has historically been the economic, political, and diplomatic center of East Asia, as well as the center of technological innovation and cultural construction for the region. In 1750 China had a per capita level of industrialization equivalent to those in Western Europe, and twice that of the American colonies. China's output far exceeded that of Japan or any other country in the region. Paul Bairoch estimates that China produced almost one third of the entire global manufacturing output in 1750, while Japan produced less than 4 percent.[47]

Vietnam and Korea were dwarfed by China's size. David Marr writes that "despite the well known 'march to the south,' which brought them to the Mekong delta by the 17th century, the Vietnamese could never boast of controlling more people or resources than a single Chinese province."[48]

Korea and Vietnam, both part of the Asian landmass and sharing borders with China, were particularly vulnerable to Chinese conquest, had China wished to expand. Chinese military organization and technology also gave it the capability to project power over long distances. Indeed, China ruled Vietnam for almost a thousand years, from 112 B.C., when Vietnam was invaded by the emperor Wu of Han, until the fall of the Tang dynasty in 907.[49] Chinese military organization has been formidable since ancient times, and China had the military and technological capacity to expand through conquest further than it did.

As early as 624, under the Tang dynasty, emperor Taizong built an army of 900,000 men, the first standing professional Chinese army.[50] The limiting factor was not technological, but political—a decision by China not to pursue conquest. Although Japan was protected by water, it was a surmountable barrier, and China had the military capability to invade Japan throughout this period. The Chinese invasions of Japan in 1274 and 1281 involved up to 150,000 men and 4,400 Chinese naval vessels.[51] As to China's naval potential, the famous 1405 and 1433 expeditions by the Chinese admiral Zheng He (Cheng Ho) took 315 ships and over 28,000 men as far as Africa, bringing back elephants and other treasure to China.[52] The largest of these ships were 400 feet long and held nine masts, and seven-masted "supply ships" were 257 feet long and 115 wide.[53] The Ming navy consisted of 3,500 oceangoing ships, including over 1,700 warships. Abu-Lughod writes that "no naval force in the world at that time came close to this formidable armada."[54] When Japan invaded Korea in 1592 with intentions to conquer China, Japanese general Hideyoshi took 200,000 men, transported on 300 naval vessels.

TRADE AND THE LEVEL OF INTERACTION

The East Asian system, in short, featured smaller states existing under the shadow of a preponderant power with the material wherewithal potentially to conquer all or most of the system. In other words, it was a system primed for intense balance of power politics. We would only expect balancing dynamics to come to the fore, of course, if these actors were in sufficient contact with one another to truly constitute a system. I have already mentioned military interactions and below I will analyze political and diplomatic

ones. Here I detail another important indicator of high interaction levels: trade.

Far from the West's bringing trade and interaction to a somnolent East Asia in the seventeenth century, there existed a vibrant East Asian economic trading system well before the West arrived. China and its tributaries had far more interaction with one another than has been traditionally acknowledged. Recent scholarship is finding that trade, both private and tributary, made up a significant portion of both government revenues and the national economies. The system was geographically quite wide, including trade from Japan to Java and Siam. Furthermore, trade with the West (mainly the Portuguese and the Dutch) in the seventeenth and eighteenth centuries was at most a minor portion of overall East Asian trade. The countries in this system were part of a thriving, complex, and vibrant regional order. As Abu-Lughod writes:

> The literature generated both in China and abroad gives the impression that the Chinese were "not interested in" trade, that they tolerated it only as a form of tribute, and that they were relatively passive recipients . . . This impression, however, is created almost entirely by a literal interpretation of official Chinese documents. . . . Upon closer examination, it is apparent that much more trade went on than official documents reveal, and that tribute trade was only the tip of an iceberg of unrecorded "private" trade.[55]

John Lee notes that "China since the sixteenth century was even more deeply involved than Japan in trade with the larger world. Few other places produced the commodities that were universally in demand in greater quantity or variety, and few others attracted foreign traders in the same number."[56] Gang Deng agrees: "China is often portrayed as a country isolated from the outside world, self-sufficient and insulated from capitalism . . . with marginal, if not non-existent, foreign trade. In fact, China needed foreign trade, both by land and sea, as much as many other pre-modern societies in Eurasia."[57]

As Deng explains, this activity belies the old "trade as tribute" view:

> Zheng Chenggong's Ming loyalist regime in Taiwan (1644–83) took part in triangular trade involving Japan, Vietnam, Cambodia, Indonesia, and the Philippines; his fleet to Japan alone comprised fifty ships a year . . . The total profit from overseas trade each year has been estimated at 2.3–2.7 million *liang* of silver . . . The tributary system was a form of disguised staple trade. Trade is also shown because of the fighting over the ability

by tributary states to pay tribute. Hideyoshi invaded Korea, a Ming vassal state, to force China to allow Japan to resume a tributary relationship, and threatened that a refusal would lead to invasion of China itself.[58]

During the late sixteenth century, trade between Manila and China was an estimated annual value of 800,000 *liang* of silver.[59] Table 2.2 shows the estimated number of ships that traded each year between China and Japan during the seventeenth century. Korea-Japan trade—between equals—was essentially pluralistic. *Daimyos* and rich Japanese merchants were involved, and, Etsuko Kang writes, "from the fifteenth century Japanese-Korean trade surpassed Japanese-Ming trade in quantity, and it had a greater impact on the daily life of the Japanese in western areas."[60]

During the Qing period, the Chinese built more than one thousand oceangoing ships each year. Deng concludes that "pre-modern China's long-distance staple trade reveals a system of international exchange, a prototype of division of labor transcending national/ethnic territories, and great manufacturing capacity with considerable technological advancement."[61]

TABLE 2.2 CHINESE DATA FOR SHIPS VISITING JAPAN, 1641–1683

YEAR	NUMBER OF SHIPS
1641–1645	310
1646–1651	220
1652–1656	259
1657–1661	238
1662–1666	182
1667–1671	185
1672–1676	138
1677–1681	126
1682–1683	53
Total: 43	1,711
Annual average	40

SOURCE: GANG DENG, "THE FOREIGN STAPLE TRADE OF CHINA IN THE PRE–MODERN ERA," INTERNATIONAL HISTORY REVIEW 19, NO. 2 (MAY 1997): 262.

Japan was deeply enmeshed in a network of foreign trade with other parts of East Asia at this period. Table 2.3 estimates Japanese silver trade in the mid-seventeenth century. Most notable is how small the Dutch portion of the silver trade actually was.

Stephen Sanderson writes that "trade with China and Korea became an important part of the Japanese economy. . . . During the fifteenth and sixteenth centuries foreign trade grew rapidly in intensity and trade ventures were extended to other parts of the far east, even as far as the Straits of Malacca."[62] During the Muromachi period, it is estimated that annual traffic between China and Japan was never less than forty to fifty ships annually.[63] Between 1604 and 1635, the Japanese recorded 335 ships sailing officially to Southeast Asia, and in the late seventeenth century, 200 ships arrived in Nagasaki every year.[64]

Even during the Tokugawa era, Japanese exports in the seventeenth century are estimated to have reached 10 percent of its GNP.[65] Indeed, China under the Qing was much more willing to consider private trading relations in the stead of formal tribute relationships. Richard Von Glahn writes that "Japanese trade with China grew substantially after the Tokugawa came to power in 1603. The Tokugawa *shogun* Ieyasu aggressively pursued foreign trade opportunities to obtain strategic military supplies and gold as well as silk goods."[66] Lee stresses the "undiminished importance of a trade relationship with China and, to a lesser extent, with Korea and the Ryuku" during the Tokugawa period.[67]

Using reports of Chinese ship captains as given to Japanese officials in Nagasaki during the Tokugawa era, Yoneo Ishii estimates that the junks that carried trade between China, Southeast Asia, and Japan had an average size of between 120 and 500 tons, with some capable of carrying as much as 1,200 tons of cargo.[68] Because of the dynastic transition between the Ming and the Qing during the 1670s and 1680s, direct China-Japan trade was difficult, so many of the junks originated in Taiwan, went to Southeast Asia, and then traveled to Japan. After the Qing court established full control of Taiwan in 1683, it lifted restrictions on shipping to Japan, and trade expanded dramatically.[69] "During the eighteenth century," Peter Klein tells us, "Japanese exports of precious metals over the isle of Tsushima into Korea and China actually surpassed the amounts of silver that had earlier been carried away from Nagasaki by the Chinese and Dutch."[70] The Tsushima profits from Korean trade during Tokugawa were enough to feed the entire population of Osaka at current rice prices.[71]

Trade served as a double-edged instrument of system consolidation, for it facilitated not only more intense state-to-state interactions but also the

TABLE 2.3 JAPANESE SILVER EXPORTS, 1648–1672 (KG)

YEAR	EXPORTS TO CHINA	EXPORTS TO THE NETHERLANDS	TOTAL SILVER EXPORTS	DUTCH SHARE (%)I
1648	6,727.50	23,332.50	30,060.00	77.6
1649	20,452.50	20,028.75	40,481.25	49.5
1650	25,605.00	14,775.00	40,380.00	36.6
1651	17,808.75	18,360.00	36,168.75	50.8
1652	21,326.25	21,446.25	42,772.50	50.1
1653	13,188.75	23,216.25	36,405.00	63.8
1654	30,678.75	14,430.00	45,108.75	32.0
1655	17,456.25	15,007.50	32,463.75	46.2
1656	19,653.75	23,212.50	42,866.25	54.2
1657	9,187.50	28,357.50	37,545.00	75.5
1658	41,358.75	21,150.00	62,508.75	33.8
1659	72,753.75	22,350.00	95,103.75	23.5
1660	75,566.25	16,008.75	91,575.00	17.5
1661	96,633.75	20,790.00	117,423.75	17.7
1662	48,536.25	22,350.00	70,886.25	31.5
1663	20,291.25	13,770.00	34,061.25	40.4
1664	62,490.00	20,895.00	83,385.00	25.1
1665	30,157.50	25,800.00	55,957.50	46.1
1666	27,135.00	14,913.75	42,048.75	35.5
1667	17,051.25	13,402.50	30,453.75	44.0
1668	12,806.25	0.00	12,806.25	0.0
1669	1,110.00	0.00	1,110.00	0.0
1670	1,481.25	0.00	1,481.25	0.0
1671	3,562.50	0.00	3,562.50	0.0
1672	33,615.00	0.00	33,615.00	0.0

SOURCE: RICHARD VON GLAHN, "MYTH AND REALITY OF CHINA'S SEVENTEENTH CENTURY MONETARY CRISIS," JOURNAL OF ECONOMIC HISTORY 56, NO. 2 (JUNE 1996): 443.

development of domestic state institutions. Southeast Asia illustrates both processes. From roughly 1400 to the eighteenth century, the expansion of international trade within Southeast Asia, and between Southeast Asia and China, Japan, and Northeast Asia, resulted in a regionwide process of territorial consolidation and centralization of royal authority.[72] As Andre Gunder Frank notes, "At least a half dozen trade dependent cities—Thang-long in Vietnam, Ayutthaya in Siam, Aceh on Sumatra, Bantam and Mataram on Java, Makassar on Celebes—each counted around 100,000 inhabitants plus a large number of seasonal and annual visitors."[73]

As in Northeast Asia, trade in Southeast Asia was regulated by royal monopolies. Thailand (Siam) is a case in point. The Siamese central civil administration had four working departments—Treasury, Palace, Land, and City. Treasury was in charge of overseeing foreign trade, and consisted of royal warehouses, factories, tax and duties collectors, and the "port master."[74] By the early eighteenth century, the number of Chinese ships calling at Siam had steadily increased. One European trader at the time wrote:

> The Chinese . . . bring them the most valuable commodities; and, at the same time, allow their own people to disperse themselves unto a great number of foreign parts, whither they carry their silks, porcelain, and other curious manufactures and knickknacks, as well as their tea, medicinal roots, drugs, sugar, and other produce. They trade into most parts of East India; they go to Malacca, Achen, Siam, etc. No wonder then that it is so opulent and powerful. . . .[75]

And, as Jennifer Cushman emphasizes, "Siam's exports should not be seen as marginal luxuries, but as staple products intended either for popular consumption or for the manufacture of consumer goods by the Chinese."[76]

Evidence on the relative importance of trade with the West suggests, moreover, that relations among Asian states continued to outweigh more sporadic interactions with outside powers. In contrast to Japan's continued incorporation into active trade in the region, Western trade—mainly Dutch and Portuguese traders—was simply never as important as has been believed. The annual Portuguese share of silver exports was usually less than 10 percent of total exports.[77] The Dutch were actually pushed out once the East Asian system stabilized by the end of the eighteenth century. Indeed, in 1639, the Tsushima *daimyo* told the Korean government that "because commerce with the Portuguese has been banned from this year, we must seek more broadly trade with other foreign nations besides them, and [the *shogun*] has ordered us to trade with your country even more than in the past."[78]

Thus Klein concludes that "during the eighteenth century . . . the East China Sea saw the re-establishment of its traditional self as it more or less retired from the world [European] market."[79] Numerous estimates compiled by researchers on different regions, periods, and markets show the overwhelming bulk of trade occurring within Asia as opposed to between Asian states and Europe.[80] Klein's assessment is typical: "European penetration into the maritime space of the China sea was marginal . . . weak and limited."[81]

It's clear, then, that the economic system of East Asia was far more integrated, extensive, and organized than the conventional wisdom allows. From at least the Song era of the tenth century to the end of the Qing dynasty in the nineteenth century, there existed a vibrant and cohesive trading and foreign relations system in East Asia that extended from Japan through Korea to China, and also from Siam through Vietnam and the Philippines. So extensive was this regional economic order that it had domestic repercussions, such as monetization of the Japanese economy. The Dutch and the Portuguese had less impact than is normally thought. It was only when China began to crumble in the nineteenth century that this system finally broke apart.

In sum, research on trade patterns indicates a high level of system interaction in East Asia that was relatively independent of the simultaneously developing European system. As Takeshi Hamashita contends, it is necessary to see "Asian history as the history of a unified system characterized by internal tribute/tribute-trade relations, with China at the center."[82] He stresses that a "fundamental feature of the system that must be kept sight of is its basis in commercial transactions. The tribute system in fact paralleled, or was in symbiosis with, the network of commercial trade relations; the entire tribute system and interregional trade zone had its own structural rules which exercised systematic control through silver circulation and with the Chinese tribute system in the center."

BEHAVIOR

Behavioral patterns in the Asian system are impossible to reconcile with balance of power theory. Most important, there is simply scant evidence of balancing. We do not see alliance formation against China, notwithstanding large fluctuations in Chinese capabilities that might have offered other states windows of opportunity to at least attempt to diminish Chinese dominance. To be sure, neighboring states did seek to emulate Chinese practices, but there is little evidence that the aim was to build up capabilities in order to

match and rein in Chinese power. On the contrary, as I will discuss in more detail below, emulation actually had the opposite effect of ramifying the Chinese-dominated order.

Patterns of conflict, moreover, do not correspond to balance of power expectations. Balance of power theory is not a theory of war. Nonetheless, as a theory that explains systemic tendencies toward balance, it would predict that a system as dominated by one state as Asia was by China would be inherently unstable owing to underlying anti-hegemonic systemic forces. The theory expects that a state as dominant as China will likely seek further territorial expansion at the expense of weaker neighbors. This is, after all, why balancing is supposed to be the prime directive of states' foreign policies: to prevent a dominant state from expanding at the expense of the sovereign security of other system members. For this reason, the theory also expects those neighbors to fight to resist dominance, in this case by China, when possible. Neither of these expectations is borne out.

The most striking feature of the system was its comparative peacefulness. The contrast with Europe during the same time period is revealing (Table 2.4).

Overall, war between states was rare, and wars of conquest even more so; often centuries separated wars between the main political units. China did not seek to translate its dominant position into a system-wide empire by force of arms. China's last attempted invasion of Japan occurred in 1281. The Qing expeditions against the Korean Choson dynasty in the early seventeenth century were aimed more at consolidation, demarcation of borders, and reestablishment of the tribute system than with conquest.[83] For example, Seonmin Kim argues that the Qing expeditions against the Choson in the early seventeenth century were aimed at demarcating the border between the two states; "it was the wild ginseng growing in the borderland that initiated the border demarcation between China and Korea."[84] Kim quotes Huang Taiji (the Manchu emperor from 1626 to 1643 who laid the groundwork for the Qing dynasty) criticizing the Choson King Injo in 1631 for his trade policies, saying "the ginseng prices used to be sixteen liang per jin, but you argued that ginseng is useless and fixed the price at nine liang. . . . I do not understand why you would steal such useless ginseng from us."[85]

Conflict tended to occur not to check rising Chinese power but rather as a consequence of decaying Chinese order. As a Chinese dynasty began to come apart, the central power's attention turned inward and so conflict among the surrounding states would flare up. But it's nearly impossible to interpret that peripheral conflict as being meant to reinforce balance by checking China's potential to recover.

TABLE 2.4 EAST ASIA AND EUROPE OVER THE LAST SIX CENTURIES

	EUROPE	EAST ASIA
1492	Expulsion of Moors from Spain	(1392–1573) Ashikaga shogunate, Japan
		(1368–1644) Ming dynasty, China
		(1392–1910) Yi dynasty, Korea
1494	Charles VIII of France invades Italy	(1467) Onin War, Japan. Beginning of "The Age of the Country at War"
	Beginning of struggle over Italian peninsula by Spain and France	
1526	Bohemia and Hungary under Habsburg rule	
1527	Sack of Rome	
1552	Maurice of Saxony revolts against the Emperor	
1556	German-Spanish division of the Habsburg possession	
1562	French wars of Religion	
1572	Revolt of the Netherlands	
1580	Portugal united with Spain	
1588	Spanish Armada defeated	(1592, 1596) Hideyoshi invades Korea
1618	Thirty Years' War begins	(1600–1868) Tokugawa shogunate, Japan
		(1618) Manchus declare war on the Ming
1630	Countermoves by France and Sweden begin	(1627) Manchus invade northern Korea
1640	Portugal breaks away from Spain	
1642	English Civil War	(1644) Qing dynasty (Manchu)
1648	Peace of Westphalia	
1652	First naval war between Britain and Holland	
1667	War of Devolution: Louis XIV against Spain in the Netherlands	
1672	Second war, France against Holland and Spain	
1672	Second naval war between Britain and Holland	
1681	Vienna besieged by Turks	
1688	Third War (League of Augsburg)	
1710	War of the Spanish Succession	

TABLE 2.4 *(CONTINUED)*

	EUROPE	EAST ASIA
1720	Prussia acquires Western Pomerania from Sweden	(1709–29) Chinese intervention in unstable Vietnam
1722	Peter's war against Persia	
1733	War of the Polish Succession	
1735	Annexation of Lorraine to France assured	
1739	Britain at war with Spain in West Indies	
1740	First Silesian War, War of the Austrian Succession	
1744	Second Silesian War	
1755	Britain attacks France at sea	
1756	Seven Years' War	
1774	Crimea annexed to Russia	
1772	First partition of Poland	(1788) Chinese punitive expedition against Vietnam
1792	France declares war on Austria	
1793	Britain declares war on France, second partition of Poland	
1795	Third partition of Poland	
1799	War between France and the Second Coalition	
1801	Nelson's victory at Copenhagen	
1805	Trafalgar	
1806	Jena	
1808	Insurrection in Spain	
1812	Napoleon's Russian Campaign	
1815	Waterloo	
1815	Congress of Vienna	
1823	Absolute rule restored in Spain by France	
1830	July Revolution in France, Polish Revolution	(1839, 1856) Opium Wars in China
1848	Revolution in France, Italy, Germany	(1853) Commodore Perry lands in Japan
1859	War for Unification of Italy	

TABLE 2.4 *(CONTINUED)*

	EUROPE	EAST ASIA
1864	Denmark's war against Prussia and Austria	
1866	Austro-Prussian War	
1870	Franco-Prussian War	(1868) Meiji restoration
1878	Congress of Berlin	(1874) Japan annexes Taiwan
1899	Boer War	(1894) Sino-Japanese War
		(1900) Boxer Rebellion, China
1904	Russo-Japanese War	(1904) Russo-Japanese War

SOURCES: R. ERNEST DUPUY AND TREVOR DUPUY, *THE HARPER ENCYCLOPEDIA OF MILITARY HISTORY: FROM 3500 BC TO THE PRESENT,* 4TH ED. (NEW YORK: HARPERCOLLINS, 1993); PAUL K. DAVIS, *ENCYCLOPEDIA OF INVASIONS AND CONQUESTS: FROM ANCIENT TIMES TO THE PRESENT* (SANTA BARBARA, CALIF.: ABC-CLIO, 1996).

For example, at the beginning of the era under study, in 1274 and 1281, the Mongols under Kubalai Khan, having conquered northern China from the Song, attempted unsuccessfully to conquer Korea and Japan.[86] Eighty years later, with the consolidation of the Ming dynasty's control in China in 1368, Emperor Hongwu sent envoys to Annam, Champa, Koryo, and Japan announcing the founding of the Ming dynasty, and revived the policy of political relationships and an international order in which tribute missions were the main envoys between the surrounding states and the Chinese emperor.[87] The sole conflict that might be reconciled with a broad interpretation of balance of power theory occurred centuries later. As the Ming dynasty weakened, the Japanese general Hideyoshi attempted to invade China through Korea in 1592 and 1598, although he failed to take Korea.[88] However, as the Qing consolidated power early in the seventeenth century, conflict between the surrounding states ceased and relations between states were relatively peaceful for another two hundred years. Indeed, once the Tokugawa shogunate consolidated power in Japan, it chose not to challenge China's central position for almost three hundred years, despite being stronger than it had been under Hideyoshi.

For centuries the Chinese did face running border battles with the Mongols to the north, and at times employed 500,000 troops in an effort to secure that front.[89] In fact, the only successful invasions of China came from the north—Genghis Khan in 1215 and the Qing in 1618.[90] Despite successful conquest of China, however, change was not as lasting as it might have been. Genghis Khan ruled through the existing Chinese bureaucracy instead of supplanting the existing Sinic civilization. When the Manchus invaded the

crumbling Ming dynasty and founded the Qing dynasty in 1644, they also adopted Chinese and Confucian practices.[91]

This brings up a final major difference between the Asia and contemporary Europe, and specifically a different systemic logic: in Asia major political units remained essentially the same after war. Boundaries and borders were relatively fixed, and nations did not significantly change during the time period under review. In 1500 Europe had some five hundred independent units; by 1900 it had about twenty.[92] In East Asia, the number of countries, and their boundaries, has remained essentially the same since 1200 A.D. With such a large central power in China, other nations did not wish to challenge China, and China had no need to fight.

In sum, the larger behavioral pattern is precisely what balance of power theory does not expect: stable system dominance by a materially preponderant state.

THE LOGIC OF ASIAN SYSTEMIC HIERARCHY

When China was stable, the regional order was stable. The dominant power appeared to have no need to fight, and the secondary powers no desire to fight. Why? Three overlapping explanations account for the system's stability: the distribution of power and benefits reinforcing Chinese dominance; culture and ideas supporting a stable hierarchy; and the diffusion of Chinese institutions and influence into the domestic politics of the other states comprising the system. The following subsections discuss each of these logics, and then a fourth subsection considers the case of Japan—which as the second-largest state is a crucial test case for the argument.

POWER AND THE COST-BENEFIT EQUATION

For most of the period under review, capabilities were distributed in such a way that it was very hard if not impossible for a balancing order to emerge. China was simply too strong, advanced, and central to counterbalance effectively. For simple realist reasons, therefore, all the usual impediments to balancing were exacerbated. In other words, one benefit of establishing subordinate relations with China was to ensure peaceful relations with it. For example, the Japanese Ashikaga shogunate (1333–1573) sought investiture by the Ming emperor in order to eliminate the insecurity caused by fear of another Chinese invasion. (Investiture will be discussed in more detail

below.) As Kawazoe writes, "in order to [ensure peaceful relations with China], Japan had to become part of the Ming tribute system and thus cease to be the 'orphan' of East Asia. For centuries the Japanese had feared attack by the Silla (Korea), and the Mongol invasions had provided real grounds for fearing a Ming attack."[93]

China's strength also allowed it to provide security benefits to lesser states that agreed to play by the system's rules. Incorporation into the Chinese world provided protection from attack, and left the secondary states free to pursue domestic affairs and diplomacy with one another as they saw fit. For example, in 1592 the Chinese sent troops to Korea to attack Japanese general Hideyoshi's invasion force.[94] Jung Yak-yong, a prominent scholar of the nineteenth century, argued that Choson Korea after the Hideyoshi invasion had little fear of a second Japanese invasion both because Choson elites thought Japan's understanding of Confucianism was deep enough that it would not invade, and because they knew the Qing would come to Choson's aid in event of another Japanese attack.[95]

Other states bought into the Chinese role as system manager. In 1592, for example, King Naresuan of Siam learned of Japan's invasion of Korea, and sent a mission to China in October of that year, offering to send the Siamese fleet against Japan. Wyatt emphasizes: "This was no empty gesture. Naresuan understood the interconnectedness of international relations, and he wanted to maintain a balance of power favorable to open international commerce and to China's dominance in an orderly Asian state system."[96]

But this is only part of the explanation, for it cannot account for failure to balance when China was weak, for China's disinclination to expand further, and more generally for the system's astonishing stability. Another rationalist logic was at work: trade with China was a key element of international relations in the region. As detailed above, China was a lucrative and advanced market that tended to draw others into the system. Key here is that even "tribute" was more a hypothetical goal than reality, for the tributary nations gained as much in trade and support as they gave to the Chinese emperor. Tribute in this sense seemed as much a means of trade and transmission of Chinese culture and technology as it was a formal political relationship.

Japan is an important example. During the Song dynasty in China (960–1297), the Japanese economy was monetized because trade with China brought in so much coinage that the Japanese government was forced to legalize the use of coins. As Kozo Yamamura notes, this "had profound effects on the political, economic, and social history of Japan."[97] Despite three separate decrees by the Japanese *bakufu* to ban the use of coins, by 1240 they had allowed them in all but the northernmost province of Japan. Kawazoe notes

that "many have since contended that it was the income that could be gained from missions to China that motivated Japanese king Yoshimitsu (Ashikaga shogun in 1403) to open relations with the Ming . . . the large gifts of copper coins, silks, brocades, and so forth that the Ming envoys brought to the shogunal court were certainly a major economic attraction. This tribute-gift exchange was in reality simply trade. . . ."[98]

IDEAS AND CULTURE

Being a client state brought economic and security benefits at a cost lower than engaging in arms races or attempting to develop a counterbalancing alliance against China. Sill, the rationalist calculus leaves a lot unexplained. After all, balance of power theory assumes rational actors, and the potential for mutually beneficial security and economic relations is frequently overwhelmed by problems of uncertainty and commitment that generate conflict. There are thus strong grounds for according ideational and cultural factors an important causal role in explaining Asian hierarchy.

The traditional international order in East Asia encompassed a regionally shared set of norms and expectations that guided relations and yielded substantial stability. In Chinese eyes—and explicitly accepted by the surrounding nations—the world of the past millennium has consisted of civilization (China) and barbarians (all other states). In this view, as long as the barbarian states were willing to kowtow to the Chinese emperor and show formal acceptance of their lower position in the hierarchy, the Chinese had neither the need to invade these countries nor the desire to do so. Explicit acceptance of the Chinese perspective on the regional order brought diplomatic recognition from China and allowed the pursuit of international trade and diplomacy.

The formally hierarchic relationship consisted of a few key acts that communicated information between actors. Most important was "kowtow" to the Chinese emperor by the sovereigns of the lesser states. Since there could be only one emperor under heaven, all other sovereigns were known as kings, and on a regular basis would send tribute missions to the Chinese capital to acknowledge the emperor's central position in the world. In addition, when a new king would take the throne in a lesser state, it was customary to seek the emperor's approval, a process known as "investiture." Although pro forma, investiture was a necessary component of maintaining stable relations between nations. Korea, Japan, the Ryukyus, Vietnam, Tibet, and other nations peripheral to China pursued formal investiture for their

own rulers, sent tributary missions, and maintained formal obeisance to China.[99]

Kowtowing to China did not involve much loss of independence, since these states were largely free to run their internal affairs as they saw fit, and could conduct foreign policy independently from China. China viewed its relations with its subordinate states as separate from its internal relations, and generally did not interfere in the domestic politics of tributary states.[100] As the Ancestral injunctions noted, "if foreign countries give us no trouble and we move troops to fight them unnecessarily, it will be unfortunate for us."[101] For example, while Vietnam kowtowed to China it also went on to expand its territory in Southeast Asia. With Japan, as with Vietnam's relations with its Southeast Asian neighbors, China always had a policy of noninterference toward its tributary states, as long as its sovereignty was acknowledged and not threatened.[102] With regard to the Korea-China relationship, Gari Ledyard notes,

> Chinese "control" was hardly absolute. While the Koreans had to play the hand they were dealt, they repeatedly prevailed in diplomacy and argument . . . Korea often prevailed and convinced China to retreat from an aggressive position. In other words, the tributary system did provide for effective communication, and Chinese and Korean officialdom spoke from a common Confucian vocabulary. In that front, the relationship was equal, if not at times actually in Korea's favor.[103]

As for Vietnam, a brief Chinese interregnum (1407–1427) was brought about by turmoil in the Vietnamese court. After a ten-year struggle, the Le dynasty lasted from 1427 to 1787, existing uneasily beside China. Truong Buu Lam writes that "the relationship was not between two equal states. There was no doubt in anyone's mind that China was the superior and the tributary state the inferior. The Vietnamese kings clearly realized that they had to acknowledge China's suzerainty and become tributaries in order to avoid active intervention by China in their internal affairs."[104] As Marr notes:

> This reality [China's overwhelming size], together with sincere cultural admiration, led Vietnam's rulers to accept the tributary system. Providing China did not meddle in Vietnam's internal affairs . . . Vietnamese monarchs were quite willing to declare themselves vassals of the Celestial Emperor. The subtlety of this relationship was evident from the way in which Vietnamese monarchs styled themselves "king" (*vuong*) when com-

municating with China's rulers, but "emperor" (*hoang de*) when addressing their own subjects or sending messages to other Southeast Asian rulers.[105]

Culturally the Chinese influence was formative. Although both the Japanese and Korean languages are not Sinic in origin (generally they are thought to be Ural-Altaic, with more similarity to Turkish and Finnish), Vietnam, Korea, and Japan have used Chinese characters and vocabulary for over two thousand years.[106] Although the indigenous languages were used for everyday speech, formal communications were written in Chinese, and it was a sign of education to be conversant in Chinese literature and poetry.

CHINA'S LONG INSTITUTIONAL REACH

Many of the East Asian states were centrally administered bureaucratic systems based on the Chinese model. Centralized bureaucratic administration in China involved a complex system of administration and governance. Ming-era China was centrally organized into administrative districts down to the province level, with appointments made from the capital for most tax, commercial, and judicial posts.[107] In addition, since the Han dynasty, an examination system was used for selecting government bureaucrats, resulting in East Asia's region-wide focus on education. Anyone who passed the exam ensured both himself and his family a substantial increase in prestige and income. The states peripheral to China also had developed complex bureaucratic structures. Again, this form of government, including the bureaucratic system, was derived from the Chinese experience. The civil service examination in these countries emphasized knowledge of Chinese political philosophy, classics, and culture.

With the promulgation of the Taiho Code in 701, Japan during the Heian era (749–1185) introduced a Chinese-style government utilizing a bureaucratic system that relied heavily on imported Chinese institutions, norms, and practices.[108] Japan's university system in the eleventh century was based on a curriculum that studied the Chinese classics, the organization of Japan's bureaucracy was modeled after China's, and the capital city of Kyoto was modeled after the Tang dynasty capital in China.[109]

Japan, with perhaps the least centralized authority of the East Asian nations in this study, had a feudal tradition nominally overseen by an emperor. However, all countries in East Asia were essentially feudal in domestic social structure, and Japan was no exception. In addition, the domestic process of

expanding centralized political control occurred in Japan just as it did in other countries in the region. Like all countries, Japan saw a waxing and waning of state power over the centuries, with a relative breakdown in central political control during the fourteenth century, but relatively firm centralized control both before and after. The Japanese emperor himself was a weak and nominal leader of the country. Most importantly for our purposes, Japan had a long tradition of being independently recognized as a single unit in international relations of East Asia.

Korea also used a bureaucratic system borrowed from the Chinese model and emphasizing the study of Chinese texts.[110] In Korea the examination system was used since the Silla dynasty of the seventh century, although it became fully incorporated into public life under the Choson (1392–1910) dynasty.[111] Indeed, Choson dynasty court dress was identical with the court dress of the Ming dynasty officials, with the exception that the identical dress and emblems were two ranks (in the nine-rank scheme) lower in Korea. That is, the court dress of a Rank I (the highest rank) Choson official was identical to that of a Rank III official at the Ming court.[112]

Although each country retained its own identity, the Chinese influence on family organization, education, culture, crafts, and arts was pervasive. The Sinicizing process included migration of Chinese to the Vietnam region, increased use of the Chinese language, the civil service examination system, the establishment of Confucian schools, the rise of Buddhism, Taoism, and Confucianism, Chinese-style clothing and marriage ceremonies, and a militia based on Chinese inventions and technology.[113]

Thus the Chinese influence on East Asia was pervasive.

JAPAN'S ROLE

The role of Japan is perhaps the most important to discuss, because for centuries Japan was the second-largest country in East Asia, although still considerably smaller and weaker than China. Did the system really encompass Japan? Until the Tokugawa shogunate (1603–1868), Japan followed essentially the same rules as other East Asian countries. The Japanese have traditionally described the world as *ka-I no sekai*, or "the world of China and the barbarians." Tashiro Kazui notes that "from the time of Queen Himiko's rule over the ancient state of Yamatai [183 to 248 A.D.] to that of the Ashikaga shoguns during the Muromachi period, it was essentially these same international rules that Japan followed."[114] In 1370, Prince Kaneyoshi of Japan pre-

sented a *hyosen* (*piao-chien*, a foreign policy document presented to the Chinese emperor) in which he referred to himself as "subject."[115] King Yoshimitsu's acceptance of Chinese suzerainty became a powerful legitimizing tool for his government.[116] Writing about the fifteenth century, Kazui notes that "both Japan and Korea had established sovereign-vassal relations (*sakuho kankei*) with China, joining other countries of Northeast Asia as dependent, tributary nations."[117] Key-huik Kim adds:

> In 1404—a year after the ruler of Yi Korea received formal Ming investiture for the first time—Yoshimitsu, the third Ashikaga shogun, received Ming investiture as "King of Japan." The identical status assigned to the rulers of Yi Korea and Ashikaga Japan under the Ming tribute system seems to have facilitated the establishment of formal relations between the two neighbors on the basis of "equality" within the "restored" Confucian world order in East Asia.[118]

One common misperception in the scholarly literature is that Tokugawa-era Japan was a closed and isolated nation that operated outside the East Asian international system. However, in the last two decades, a revisionist view has become widely accepted, one which sees Tokugawa as deeply interested in, and interacting with, the rest of East Asia. There was a change in Japan's international status following its attempts in 1592 and 1598 to invade China through Korea. China essentially de-recognized Japan, forcing it outside the legitimate international order of the time. The Ming in 1621 expelled Japan from the Chinese world system, making it the "outcast of East Asia."[119]

Japan was forced to find an alternative way to conduct its foreign relations and trade. Although not fully reincorporated into the tributary system, Japan operated by essentially the same set of rules, following the function if not the explicit form of tributary relations with China. The key point is that Tokugawa Japan continued to accept the Chinese-centered system, even though formal tributary relations were never fully restored. Indeed, after the Hideyoshi invasions of Korea in 1592–1598, the Tokugawa shogunate recognized China's centrality and Japanese-Korean relations as equal. Kim writes:

> The Tokugawa rulers understood and accepted the Korean position. Japan after Hideyoshi had no ambition for continental conquest or expansion. They tacitly acknowledged Chinese supremacy and cultural leadership in the East Asian world. . . . Although Tokugawa Japan maintained no formal

ties with China . . . for all intents and purposes it was as much a part of the Chinese world as Ashikaga Japan had been.[120]

The Japanese called this new policy the *Taikun* (Great Prince) diplomacy, and some view this as having been a way for Japan to opt out of the Chinese system, because such a concept did not exist in the Confucian world order. It allowed the Japanese to conduct foreign policy without explicitly recognizing the Chinese emperor as superior, while still not provoking too harsh a response from the Chinese by formally challenging their position. However, the Tokugawa rulers remained integrated into East Asia, and made systematic efforts to gather information on regional affairs.[121] Trade was still conducted through Nagasaki, only by private merchants, and indirectly through Korea and the Ryukyus. Although the conventional wisdom was that the Tokugawa shogunate closed itself off from the rest of the world formally in 1633, a policy sometimes referred to as *sakoku*, the reality was that trade with China and the rest of the world continued to be an important part of Japan's economy. The more recent scholarship interprets *sakoku* as merely "maritime provisions" that were "simply a part of a sequential process rather than firm indications of new policy directions."[122] As noted previously, Japanese exports in the seventeenth century are estimated to have reached 10 percent of its gross national product (GNP).[123] This revisionist view sees Tokugawa foreign relations more as an expansion of state power and regulation in Japan rather than a policy of isolation. Indeed, it has been shown that the phrase *sakoku* did not exist historically, and is not seen in any Japanese sources, public or private, until a translation of a Dutch book about Japan.[124] These countries, even during Tokugawa and Qing, had extensive relations. During the Tokugawa period, the *bakufu* established formal and equal diplomatic relations with Korea, subordinate relations with the Qing, and superior relations with the Ryukus.

Klein notes that "by the end of the seventeenth century the Tokugawa regime had succeeded in maneuvering Japan into the center of a regional system of international diplomacy of its own making."[125] William Wray adds that "[Tokugawa] Japan had a distinctive policy for virtually every country or area with which it traded. There were far more Chinese than Dutch ships coming to Nagasaki. . . ."[126] Historians today interpret these maritime provisions more as examples of normal statecraft and the extension of Tokugawa control than as signs of paranoia or cowering anti-foreignism. Ronald Toby argues that Japan under Tokugawa had an "active state-sponsored program of international commercial and technological intelligence . . . that enhanced domestic sovereignty and enabled the state to regulate a desired foreign trade."[127]

CONCLUSION

Explanations consistent with realism, liberalism, and constructivism reinforce one another, generating a basic hierarchical logic in the East Asian system that is so strong that evidence of balancing processes over six centuries is hard to find. Consistent with hegemonic stability versions of realism, China's neighbors recognized the preponderance of Chinese power and accepted it instead of trying to balance against it. As liberalism would expect, the stability of the system was increased by substantial trading links among the major states. And as constructivism would suggest, the system was also stabilized by a complex set of norms about international behavior that was generally observed by the main political units. But both the outcome (stable hegemonic dominance) and the process evidence (no balancing and remarkable stability) decisively contradict balance of power theory.

The demolition of this regional order came swiftly in the mid-nineteenth century. The intrusion of Western powers and the inherent weaknesses of the East Asian states created a century of chaos. With the Western powers dividing up China and limiting its ability to act, the system broke apart. Japan was able to seize the initiative and attempt to become the regional hegemon. Much of Southeast Asia became embroiled in guerrilla wars in an attempt to drive out the Western colonizers, from Vietnam to the Philippines to Malaysia and Indonesia. The two world wars and the Cold War all muted East Asia's inherent dynamism. It was only in the 1990s that the system appeared to begin—once again—to resemble an East Asian regional system that is both powered and steered by East Asian states themselves.

Yet the causal factors that were important for stability in early modern East Asia remain worthy of attention. That stability was a function not only of power and size, but also of a complex set of norms about behavior that governed international relations between the main political units. East Asia from 1300 to 1900 was economically and politically important, and it was more stable and hierarchic than the European system. This observation is of great theoretical significance: there is a logic of hierarchy that can lead, and has led, to a stable, relatively peaceful hierarchical international system under (early) modern conditions. Further study of the historical East Asian international system should yield additional insights not only into its own dynamics, but also the dynamics of international systems more generally—including the contemporary one.

CHAPTER 3

DESCRIBING EAST ASIA

ALIGNMENT STRATEGIES TOWARD CHINA

To explain why East Asian states have increasingly accommodated China, one must first describe what East Asia actually looks like—that is, describe East Asian states' alignment strategies toward China in an empirically consistent and falsifiable manner. Doing this accurately is important, because there has been little sustained exploration of how these states interact with and view China, and so arguments about whether or not states are balancing China often rest on ad hoc and piecemeal empirical measures.[1] With the exception of Taiwan, no East Asian state fears the Chinese use of force. Indeed, the states in the region—even including Taiwan—are moving closer to cooperation with China on diplomatic and political relations.

Alignment is primarily military, but can also comprise economic and institutional components as well as a security component. Accompanying a lack of military preparations for conflict with China, and a concomitant absence of containment alliance behavior, East Asian states have moved toward China on economic and institutional matters. As China's economy has continued to grow in the past three decades, its neighbors have sought to benefit from that and have moved to expand economic and cultural ties, not limit them. Institutionally, the region has made rapid progress in creating a patchwork of multilateral institutions in East Asia that cover a range of issues and include China as a regular, active member. Furthermore, East Asian public opinion toward China reflects this trend. While publics throughout East Asia overwhelmingly expect China to become the major power center of East Asia in the near future, they also generally exhibit favorable attitudes toward China and assess bilateral relations as being close. In sum, most East Asian states view China's return to being the gravitational center of East Asia as inevitable and have begun to adjust their strategies to reflect this expecta-

tion. Furthermore, the rapidity with which East Asia and China have improved relations is striking.

These favorable attitudes may initially seem surprising. After all, China is already a great power in many ways and its economic growth seems set to continue into the near future, and therefore the potential costs of China's rise are fairly obvious. The richer China becomes, the more likely it can bully other states. And were China to provoke a war somewhere in East Asia, the effects could quite easily spill over to the rest of East Asia and have severe regional consequences. Even if a state avoids outright conflict with China, military balancing would be a costly endeavor.

However, the potential benefits from China's rise are also just as obvious. As both a consumer and a producer, the Chinese market is increasingly seen as shaping the future for many companies worldwide.[2] Individual companies, and countries, that have good relations with China stand to benefit from its economic emergence. Furthermore, stable relations with a dominant state can also reduce military fears and threat perceptions. Defense spending and arms races would drain resources and attention from the region-wide focus on economic growth, and the state would also forgo opportunities for economic cooperation with China and within the region.

This chapter first discusses the theoretical literature on alignment, arguing that a definition of balancing is most useful when it is tightly defined as referring to the possible use of force. I then show that East Asian states do not expect or plan to use force against China. I then explore other types of relations, including economic, institutional, and public opinion.

STRATEGIES AND ALIGNMENTS IN INTERNATIONAL RELATIONS

In outlining state strategies, the two most common concepts in the theoretical literature on international relations are balancing and bandwagoning. Although the literature often portrays states' alignment decisions as a stark dichotomy involving those two positions, they are only polar extremes. The traditional, most widely accepted measure of balancing is investment by states to "turn latent power (i.e., economic, technological, social, and natural resources) into military capabilities."[3] Balancing can be internal (military preparations and arms buildups directed at an obvious threat) or external (forging countervailing military alliances with other states against the threat).[4] Conversely, bandwagoning is generally understood to be the decision by a state to align itself with the threatening power in order to either neutralize the threat or benefit from the spoils of victory.[5]

Although these concepts seem straightforward, a furious scholarly debate has broken out over how to measure balancing. Because many states in the post–Cold War era are not engaged in obvious military balancing, as defined above, against the United States, an entire literature has introduced concepts such as "soft balancing" and "under-balancing" to explain why that "hard" balancing has not occurred.[6] For example, Robert Pape defines soft balancing as "actions that do not directly challenge U.S. military preponderance but that use nonmilitary tools to delay, frustrate, and undermine aggressive unilateral U.S. military policies . . . [such as] using international institutions, economic statecraft, and diplomatic arrangements."[7]

However, terms such as "soft balancing" and "under-balancing" make it virtually impossible to falsify the balancing proposition. That is, if "balancing" and the underlying theoretical argument that emphasizes power as essentially threatening can include obvious military and political attempts to counter a known adversary as well as more subtle disagreements that fall well short of war, it is almost impossible to provide evidence that could falsify this viewpoint. Furthermore, given that yet another escape clause lies at the extreme end of the spectrum—as referred to in chapter 1, some states are "too small to balance"—theoretical adjectives such as "hard" and "soft" balancing have limited analytic usefulness, and stretch the definition of that concept to the point of irrelevance. As Keir Lieber and Gerard Alexander write, ". . . discussion of soft balancing is much ado about nothing. Defining or operationalizing the concept is difficult; the behavior typically identified by it seems identical to normal diplomatic friction, and regardless, the evidence does not support specific predictions suggested by those advancing the concept." Absent a falsifiable claim that can be empirically verified, adding adjectives is merely an ad hoc attempt to retain a theoretical preconception.

What about economic balancing? Tariffs are not balancing if they are imposed generally and all states are equally affected. Even preferential trading blocs, although they discriminate against some countries, are not necessarily balancing. NAFTA (the North American Free Trade Agreement) discriminates against countries outside of one region, but this is nested in a larger effort to reduce tariffs worldwide. On the other hand, economic sanctions may be designed to weaken an adversary, the underlying cause being concern about the future use of force, and thus sanctions fit comfortably under balancing as it has traditionally been defined. So when assessing balancing behavior, the critical variable remains a state's concern about the use of force.

For the purposes of this book, I define balancing tightly, as preparations for the use of force, or "hard" balancing: military buildups and defense spending, or countervailing military alliances aimed at an adversary.[8] Band-

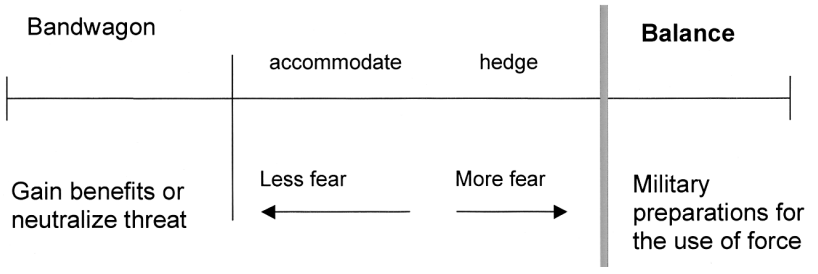
wagoning, on the other hand, will refer to clear attempts to curry favor with a state through military alliances or economic and diplomatic cooperation. Between these two extremes lies a large middle area where states avoid making an obvious choice, and it is theoretically and empirically important to distinguish these middle strategies from the extreme polar opposites of balancing and bandwagoning.

Labels for strategies within this middle area include engagement, accommodation, hiding, and hedging, as well as numerous other similar strategies.[9] Within these middle strategies, the most important distinction is between those that represent more or less fear of a potential adversary. Countries may not balance but still be somewhat skeptical of another country, in which case they might prefer to hedge. Yet countries that do not fear a larger state do not hedge, even if they do not bandwagon. Those strategies can be called accommodation—attempts to cooperate and craft stability that are short of slavish bandwagoning. By defining and categorizing state strategies in this way, one can empirically derive variation along the dependent variable in a falsifiable manner (Figure 3.1).

While states often have sharp disagreements with one another over a range of issues, words such as "conflict" or "tension" do not help us sort out conflicts that are genuinely dangerous and could lead to war, those that are serious and could have consequences for diplomatic or economic relations between states, and those that may have domestic political currency but will not affect relations between states in any meaningful manner. Not all negotiations end in conflict, and not all conflicts end in war. As with measuring balancing behavior, the conventional distinction has been based on whether there is the possibility for the use of force.[10] Of paramount importance are the issues that could involve actual military confrontation.

There are issues between states that may not have the potential to escalate to actual military conflict but that still have real consequences for interactions between states—for example, economic disputes that could affect trade

FIGURE 3.1 SPECTRUM OF ALIGNMENT STRATEGIES



and investment flows. There are also those issues between states that do not have a measurable impact on actual interactions between states, but do have rhetorical or domestic currency. Paying explicit attention to what type of issue exists between states—issues that could involve the use of force, issues that may be consequential but not likely to lead to military conflict, and issues that are primarily domestic or rhetorical—will help us to better categorize and describe the salience of various issues in East Asia.

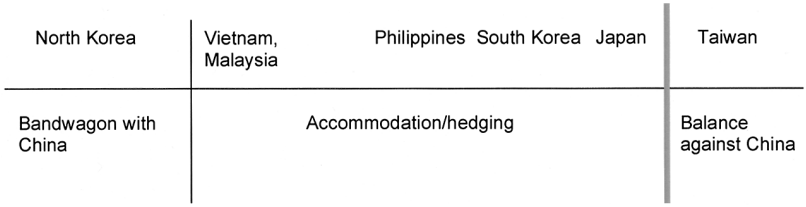
For example, as will be discussed in greater detail in the following chapters, the issue of Taiwanese independence is consequential and could easily lead to the use of force and a militarized dispute. Alternatively, contested ownership of the Spratly Islands is unlikely to lead to the use of force, but how the issue is resolved could have economic consequences for states in the region. Finally, diplomatic maneuvering and debate about which countries should be included in the East Asia Summit remains at the level of diplomatic squabbling, with little measurable impact on any state in the region.

ALIGNMENT IN EAST ASIA

Although the states in East Asia have complex and varied relations with one another and with China, it is possible to arrive at variation among the cases by exploring their alignment strategies toward China (see Figure 3.2). At one end, Vietnam is much smaller than China and has only recently normalized its relations with the United States, while North Korea is still formally at war with the United States and clings to China as its main ally. At the other end, Taiwan—although minuscule relative to China—relies almost completely on the United States to balance Chinese power. Japan as a major economic power is most skeptical of China and maintains close relations with the United States, but it is not engaged in military containment of China, and thus "hedging" would be an appropriate categorization of Japan's alignment strategy toward China. In the middle are states such as South Korea—whose relations with the United States and China are in flux—and the states of the Association of Southeast Asian Nations (ASEAN), such as the Philippines, whose relations with China continue to grow closer on a number of dimensions, and who are clearly not preparing for military balancing against China.

Some have argued that East Asian states do not fear China because they can rely on the U.S. military presence in the region to protect them. There is certainly an element of truth to that argument. As chapter 8 will discuss in more detail, all states, including China, desire good relations with the United States, and none is actively working against the United States. However,

FIGURE 3.2 ALIGNMENT OF SELECTED EAST ASIAN STATES TOWARD CHINA



American power is hardly the only or even the major reason that states do not fear China. As the rest of this book will show, most states do not fear conflict with China in the first place, and thus the U.S. presence is at most a form of generalized reassurance. In fact, most states are working assiduously to increase their ties with China, not limit them. Despite some skepticism within the United States, even that country has not chosen to balance or contain China. Thus it is not that surprising that East Asian states have not come to that conclusion, either.

SOUTH KOREA: THE PARADIGMATIC CASE

South Korea may be the clearest case of how China is reshaping foreign relations in the region. The Republic of Korea (ROK) has shown little inclination to balance China, and indeed appears on the whole to be moving enthusiastically—and some have argued, naively—to expand all manner of relations with it. South Korea and China have similar stances on a range of foreign policy issues, from the best way to deal with North Korea to concerns about the future of Japanese foreign policy. What makes the South Korean case even more vivid is that it has been one of the closest U.S. allies in the region for over sixty years. South Korea's embrace of China, and South Korea's overall changing strategic orientation, has led to open friction with the United States.

Although the U.S.-ROK alliance provides South Korea with a strong ally, South Korean planning has not been focused on a potential Chinese threat. South Korea has also shown considerable deference to China, especially in its reluctance to fully support U.S. plans for theater missile defense.[11] If South Korea considered China a threat, ostensibly its force structure would be different. Yet South Korea's defense spending has decreased by over a third, from 4.4 percent of GDP in 1990 to 2.8 percent of GDP in 2004. South

Korean naval and ground capabilities remained roughly the same over the decade. The number of main battle tanks, artillery, and surface combatants has remained roughly the same. South Korea did expand its tactical submarine force, but even here the expansion is modest. This shows that South Korea has not changed its military planning or procurement in any major direction, to face a land or sea threat. Thus, although South Korea still retains a strong military, it is clearly designed primarily to respond to a North Korean attack. A senior defense official said in 2006, "We are not planning on any type of conflict with China. The opposite, actually—we're increasing our cooperation with China in military exchanges."[12] The past decade has not seen any South Korean military adjustments that might deter China.

The engagement of China extends to the political sphere. In a survey of South Korea's National Assembly in 2004, the newspaper *Dong-a Ilbo* found that 55 percent of newly elected members chose China as the most important target of South Korea's future diplomacy, while 42 percent of "old-timers" chose China.[13] Jae-ho Chung notes that "despite the formidable threat that China may pose for Korea, no trace of concern for South Korea' security is evident in Seoul."[14] South Korea's 2004 National Security Strategy calls the Sino-ROK relationship a "comprehensive cooperative partnership" and calls for greater military exchanges between the two countries.[15] In 2006, a senior South Korean government official said that "China has no intention of threatening the Korean peninsula. China wants stability on its borders, and it has very good relations with us. We are also deeply intertwined on economic issues as well as cooperating on security issues."[16]

Thus, South Korea is one of the East Asian states that is moving most obviously to engage China and to embrace its emergence.

VIETNAM'S MILITARY AND SECURITY POLICY

Vietnam is another country that has moved quite far in its engagement of China. With normalization of ties between Vietnam and China in November 1991, cooperation has rapidly increased between the two neighbors. The two share a long history of deeply intertwined relations, and at present the two communist governments share similar goals of encouraging domestic economic reform while retaining political power. At present, Vietnam is neither currently arming nor actively defending its border against China, nor does it show signs of attempting to challenge China in the seas. In fact, the main trend of the past fifteen years has been a reduction in Vietnamese security fears and rapidly increasing Vietnamese military cooperation with China.[17]

Vietnam has significantly reduced its military personnel and spending since the late 1980s—with a major demobilization of 500,000 men in 1990.[18] In addition, Vietnamese defense spending has been cut by almost two-thirds since 1990. From 12 percent of GDP in 1991, by 2000 Vietnam was spending less than 4 percent of its GDP on defense. Furthermore, if Vietnam were preparing to fight China on the seas, it would be building up its naval capabilities. In fact, Vietnam's navy has been in a period of stasis.

Indeed, military exchanges between China and Vietnam have become frequent, and conducted at the highest levels. Table 3.1 shows a sample of high-level meetings between Chinese and Vietnamese military officials from 1991 to 2000. In 2001, the Chinese guided missile frigate *Yulin* paid a port call at Nha Rong in Ho Chi Minh City, the first ever by a Chinese naval vessel.[19] Traveling both ways, generals, defense ministers, and other military officials have begun to build strong relations between the two militaries.

Vietnam and China have formally delineated their land border and are making progress in resolving maritime issues. In October 2005, Chinese Defense Minister Cao Gangchuan and his Vietnamese counterpart Pham Van Tra signed an accord to conduct joint naval patrols of the Gulf of Tonkin area, which had been disputed by both sides. The two sides agreed to continue demarcation discussions of their shared border and said they hoped to finalize a border treaty that would also include neighboring Laos sometime in 2006.[20] In response to Chinese concerns that Vietnam might allow the U.S. navy access to Cam Ranh Bay, in 2002 Vietnam pledged to China that it would not provide access to foreign navies at the port, and only develop it for commercial purposes. As Major General Tran Cong Man said, "We will always live next to China. It is a demographic power. We must never confront them."[21]

The "Joint Vietnam-China Statement for Comprehensive Cooperation," signed in 2000 by Foreign Minister Nguyen Dy Nien and Foreign Minister Tang Jiaxuan, also aimed to promote "carrying out multi-level military exchanges in various fields to enhance mutual trust . . ." Compared to twenty-five years ago, or even the end of the Cold War, Vietnam's security situation is more stable and less dangerous. It has dramatically reduced its military spending and demobilized half its army, and now engages in close military cooperation with the Chinese.

SOUTHEAST ASIA

Cooperation between China and Southeast Asia is increasing, not decreasing, and none of the Southeast Asian states considers military conflict with

TABLE 3.1 EXCHANGE OF HIGH-LEVEL MILITARY DELEGATIONS BETWEEN CHINA AND VIETNAM, 1991–2000

DATE	FROM VIETNAM	DATE	FROM CHINA
July 1991	Le Duc Anh (minister of national defense)		
Feb. 1992	Maj. Gen. Vu Xuan Vinh	May 1992	Gen. Fu Jiaping
Dec. 1992	Gen. Doan Khu	May 1993	Lt. Gen. Chi Haotian
June–July 1993	Gen. Le Kha Phieu	March 1993	Gen. Yu Yongbo
April 1994	Gen. Dao Dinh Luyen	April 1995	Gen. Zhang Wannian
		Jan. 1995	Maj. Gen. Shen Binyi
		Jan. 1996	Lt. Gen. Zhou Yushu
July 1996	Lt. Gen. Pham Van Tra	Aug. 1996	Lt. Gen. Fu Quanyou
Oct. 1996	Nguyen Thoi Bung (deputy defense minister)	Nov. 1996	Lt. Gen. Xu Caihou
Oct. 1998	Maj. Gen. Nguyen Van Do	Feb. 1997	Gen. Wang Ke
April 1997	Gen. Dao Trong lich	June 1997	Lt. Gen. Liao Xilong
June 1997	Lt. Gen. Le Hai		
Oct. 1997	Maj. Gen. Nguyen Huy Hieu	Aug. 1998	Lt. Gen. Xiong Guangkai
June 1998	Senior Lt. Gen. Pham Van Tra		
Oct. 1998	Lt. Gen. Doan Chuong		
April 1999	Lt. Gen. Pham Thanh Ngan		
Nov. 1999	Gen. Hoang Ky	Jan. 2000	Lt. Gen. Zhang Wentai
July 2000	Gen. Fu Bingyao		
July 2000	Lt. Gen. Pham Van Tra (minister of national defense)		
Oct. 2000	Gen. Le Van Dung	Nov. 2000	Senior Lt. Gen. Yang Huaiqin
		Feb. 2001	Lt. Gen. Chi Haotian

SOURCE: CARL THAYER, "VIETNAMESE PERCEPTIONS OF THE 'CHINA THREAT,'" IN HERBERT YEE AND IAN STOREY, EDS., *THE CHINA THREAT: PERCEPTIONS, MYTHS, AND REALITY* (LONDON: ROUTLEDGECURZON, 2002), PP. 279–80.

China a possibility. Alice Ba characterizes the states' overall orientation toward China as one of "complex engagement," covering a "multiplicity of interactions—economic, political, and social; informal and formal; bilateral and multilateral—on a variety of issues."[22] Historically, Southeast Asian states have not seen China as a colonizer in the Western sense. That is, "demands for recognition did not result in the extinguishing of sovereignty the way Britain emasculated the Burmese monarchy."[23] Blair King of the Council on Foreign Relations summarizes Southeast Asian views of China's military thus: "it doesn't appear to me that [most Southeast Asian countries] sense a military threat from China."[24] The main orientation of Southeast Asian militaries continues to be control of the interior and borders, along with piracy and coastal defense, not preparations for military confrontation with China.[25] Singaporean commentator Janadas Devan has noted that "there is no discernible enemy (other than jihadists) on the other side. Why would Asian countries line up with the U.S. to confront replicas of themselves in China? . . . Asian states will line up with the U.S. if it drew a clear line? Hell, even the Australians won't."[26]

Indeed, this lack of balancing is reflected in Southeast Asian military procurement strategies. The only ASEAN country that has tactical submarines is Singapore, with 4, while China has 67. The National Bureau of Asian Research describes China's antisubmarine warfare (ASW) capabilities as "exceptional," while Singapore, Malaysia, and the Philippines have no ASW capabilities and Indonesia's are "limited." Singapore has 5 surface combatants, Indonesia 51, and China 149.[27] China has outspent ASEAN on defense for well over two decades. In 1985 China spent $21 billion on defense (in constant 2000 U.S. dollars), while the six major nations that now comprise ASEAN—Thailand, Indonesia, Malaysia, Singapore, the Philippines, and Vietnam—spent a combined $12 billion. By 2002, China had more than doubled its defense spending to $48 billion, while combined ASEAN spending had risen to only $19 billion.[28] In sum, Southeast Asia's militaries are not designed to face a major military conflict. Sheldon Simon writes that "the primary security concerns of ASEAN states (with the possible exception of Singapore) do not place global terrorism at the top of the list. Rather, a host of challenges emanating from within their societies and across their borders top the agenda."[29]

As the largest country in Southeast Asia, Indonesia could potentially view China as a rival. Yet Indonesia has only 300,000 troops to defend a population of 200 million and an area of land and sea that covers almost 10 million square kilometers.[30] Indonesia's security doctrine is "overwhelmingly inward-looking, with its navy geared primarily to coastal defense."[31] Although

Indonesia has more surface combatants than other Southeast Asian states, it lags far behind China, and Alan DuPont points out that it "still affords less attention to external security than probably any other state in Southeast Asia."[32] Some Indonesian observers actually view the United States as its greatest external threat, because the terrorist activity in Indonesia could prompt the U.S. to take preemptive military action against it.[33]

Indeed, Indonesia's 2003 *Defense White Paper* lists its potential future strategic threats as international terrorism, separatist movements, radicalism, and international crime. The white paper only mentions China once, in passing: "defense cooperation [with China] is currently at an early stage and it is important that this is continued."[34] Furthermore, military cooperation between China and Indonesia has increased. Reciprocal visits of Chinese and Indonesian senior military figures have taken place. As Michael Leifer notes, "Indonesia cannot be described as an enthusiastic advocate of engagement with China . . . however, outright containment of China has never been considered a realistic proposition."[35]

Malaysia has also rapidly improved its relations with China, even as its relations with the United States have become strained. Malaysia's main security concerns are domestic, focused on sovereignty and illegal immigration, and even "maritime terrorism and piracy are not Malaysia's highest priorities."[36] Since 1986, Malaysian defense planning has been based on a "no external threat" scenario, and Malaysia was the first ASEAN country to normalize relations with China, in 1974.[37] As Amitav Acharya writes, "While Malaysia may favor an 'engagement strategy,' it does not wish to be identified with an *American* engagement strategy."[38] Then–prime minister Mohammed Mahatir said in 1993, "We do not look at China as our potential enemy. We look at China as a country which has a great potential for becoming an economic power."[39] Yuen Foong Khong wrote that "Malaysian Prime Minister Mohamad Mahatir is impatient with advocates of containment and he has argued in public that engagement is a more appropriate policy. Mahatir's pro-engagement position is significant because China was probably Malaysia's chief strategic threat until recently."[40] Indeed, the reopening of the Bank of China in Kuala Lumpur in 2001 symbolized how far relations have come between the two states in recent years.

So clearly does Malaysia see a strong China as important for the region that then–foreign minister Abdullah Badawi said in 1998, "Talk of China as a threat presupposes it has a planned agenda. I don't think it has one. If China's economic reforms fail miserably, there will be no need for an agenda; the outflow of people will knock us all down."[41] The 1990s saw increased contacts between Malaysia and China, including visits by Chinese Premier Li

Peng in 1990. In November 1995, Malaysia and China agreed to expand bilateral military cooperation, including an officer exchange program and cooperation on defense industries.[42] In 2004, Malaysia announced that it would buy medium-range missiles from China, as well as short-range air defense technologies.[43] By March 2005, Malaysia rejected offers from both Japan and the United States to help patrol the Straits of Malacca.[44]

Australia has clearly stated it is not interested in joining a balancing coalition against China. Australian Prime Minister Alexander Downer said in 2006, "I think a policy of containment of China would be a very big mistake."[45] Kate Callaghan, a senior advisor to the shadow foreign minister of the Australian opposition party, said in 2006 that "Australia is welcoming China, not moving away from it. We know that we have to live with China, and we've developed a very good relationship with them. The idea that Australia would do any type of balancing against China is misplaced. Our relations with China are good and continue to improve. Even U.S. pressure to join a coalition is not going to succeed, because Australia values too highly its good relations with China, and we see no reason to unnecessarily harm those relations."[46] Milton Osborne, a former Australian diplomat, said that "China has now established itself as the paramount regional power in Southeast Asia."[47] Australia remains a close U.S. ally, and relations between the United States and Australia are solid. But this has not meant that Australia will refrain from engaging China. In fact, Australia has moved to expand ties with China on economic, military, and cultural fronts.

Although Singapore is widely viewed as America's closest ally in the region, it is also one of the countries that has moved furthest in its accommodation of China's emergence. Singapore is also the region's strongest advocate of engaging China. Yuen Foong Khong writes that "within ASEAN, the most articulate and explicit proponent of engagement [with China] was Lee Kwan Yew of Singapore . . . he cautioned America and others against pursuing a containment strategy because it would have few backers in East Asia."[48] For example, Singaporean Senior Minister Lee Kwan Yew said in 1993 that "China is seeking growth through trade, not territorial aggrandizement."[49] In 1994, Lee said that "for the world's stability and security, integrating China into an international framework is not a question of choice but of necessity. The world does not need another Cold War."[50] Singaporean Prime Minister Goh Chok Tong said in 2001, "It makes no sense to mortgage East Asia's future by causing the Chinese people to conclude that its neighbors and the U.S. want to keep them down."[51] Singapore's *National Security Strategy* of 2004 focuses almost exclusively on terrorism, border controls and piracy, and pandemics such as SARS. China is not mentioned in the document.[52] In

2006, China's Defense Minister Cao Gangchuan toured Singapore's Changi Naval Base.[53]

China-Philippine cooperation also continues to grow. In 2005, Gloria Macapagal-Arroyo was the first Philippine president not to make Washington her first official visit upon her election, traveling first to Beijing instead for a summit with Chinese President Hu Jintao. As one Manila newspaper noted, "Not even the United States can stop President Arroyo from further strengthening its bilateral relations with China."[54] In a meeting on December 11, 2005, President Arroyo noted that China-Philippine relations had entered a "golden period," as economic and military cooperation had steadily increased over the years.[55] In 2006, the Chinese People's Liberation Army (PLA) donated engineering equipment, including bulldozers and graders, to the Philippine Department of National Defense, leading Defense Secretary Avelino Cruz to mention several centuries of "strong affinity with the Chinese people . . . [which] is manifested in our nation's military history."[56] A Chinese missile frigate and supply ship made a port call to Manila in 2006, as well.[57] China has also donated $1.2 million in military aid to the Philippines, and the two sides plan to hold annual security talks.[58]

In 1995, Manila introduced the fifteen-year "Armed Forces Modernization Bill," which would allow the AFP to purchase multi-role jet fighters, twelve offshore patrol vessels, and new air defense radar.[59] However, trends in Philippine procurement have not been aimed at achieving the capability of actually containing China. Furthermore, Philippine defense spending has remained roughly the same over the past decade, even after the Philippines disallowed U.S. bases in its country in 1991. Although limited cooperation with the U.S. has resumed and a visiting forces agreement was signed in 1999, cooperation has focused on Muslim terrorists in Mindanao, not external balancing alliances. As Sheldon Simon concludes, "it is noteworthy that the U.S. presence in the Philippines [in 2006] has nothing to do with external defense, protecting the SLOCs (Sea Lines of Communication), or balancing China. The U.S. presence is focused exclusively on helping the Philippines to meet internal threats."[60]

Historically, Thailand's foreign policy orientation has emphasized a strategy to "go with strength" as the best means of preserving Thai security and independence. Thailand leaned toward the British in the nineteenth century, Japan during World War II, the U.S. during the Cold War, and now China during the latter's rise.[61] Thailand ordered the U.S. navy bases closed in 1975, and thus, in the space of a decade, China was "transformed from being a primary Cold War antagonist to being Thailand's main protector."[62] For example, Thailand and China shared strategic interests in limiting Vietnamese

influence in Cambodia, and accepted Chinese intervention there in 1978.[63] As Evelyn Goh writes, "Thailand is the most sanguine of the original ASEAN member states regarding the rise of China."[64] Goh quotes a Thai Foreign Ministry official as saying that China is "a huge locomotive for growth that Thailand must try to harness to its own advantage."[65] Thailand refers to China as a "strategic partner," and has purchased ninety-six Chinese armored personnel carriers.[66] In 2005, Thai and Chinese destroyers held a joint naval exercise in the Gulf of Thailand.[67]

Thus, it is safe to say that none of the Southeast Asian states is actively attempting to balance or contain China through military means. Yuen Foong Khong concludes, "Judging from the position of the key ASEAN states on the 'engage-contain' China debate in the 1990s, it is safe to say that ASEAN would be content with a China that occupies its place as one of East Asia's great powers, but one that exerts its power responsibly."[68] Analyst Ian Storey argues, "Unlike the early Cold War era, Singapore and its ASEAN partners have collectively ruled out a policy of containment against China. The PRC [People's Republic of China] today is not perceived as a direct political-military threat."[69] Southeast Asian states are not opposing China's rise, but they are also not abandoning their ties to the U.S. and other states.

SKEPTICAL JAPAN

Japan is the East Asian country with the most potential to even contemplate a challenge to China, and indeed is the one country in the region expressing some concern about China's increasing size and military strength. For example, in 2006 Japanese Foreign Minister Taro Aso said of China, "It's a neighboring country with nuclear bombs, and its military expenditure has been on the rise for 12 years. It's beginning to pose a considerable threat."[70] Japan is currently in the process of deciding exactly how it views China, and the manner in which it desires to see China-Japan relations develop.

However, as chapter 7 will explore in greater detail, Japan is formulating its China policy within the context of a strong U.S.-Japan alliance. Michael Mastanduno sounds a note of caution: "As Japan has moved closer to the United States, it has become more isolated in the region . . . [and] it has perceived less of an incentive to expend the diplomatic effort needed to reassure and improve relations with its neighbors. The coming challenge for Japan is to continue improving relations with the United States along with, rather than at the expense of, its relations in a troubled neighborhood."[71] So, much of Japan's security stance toward China will be determined by the direction

in U.S.-Chinese relations. If the United States does not attempt to contain China, it is highly unlikely that Japan will attempt such a feat by itself.

Indeed, there is little indication that Japan will attempt to balance China's military on its own terms, nor that Japan plans to pursue any type of independent security policy outside of the U.S.-Japan alliance. Robert Ross points out that "for almost its entire history, Japan has accommodated Chinese power . . . these [power] disparities might encourage Japanese bandwagoning or ambitious Chinese policy."[72] Thus many observers see no arms race is in the offing. Furthermore, the U.S.-Japan alliance is not yet aimed at China in any meaningful way.

Dispute over China's actual level of defense spending obscures the fact that Japan's military is already powerful and technologically advanced.[73] However, its budget has not increased from 1 percent of its GDP in three decades, while China's remained over 4 percent of GDP in 2004 (see Figure 3.3), and Richard Samuels notes that Japanese defense budgets "have been effectively flat since 1994, actually declining in nominal and real terms," and in 2007 the defense budget was reduced for the fifth year in a row.[74] The Japanese Defense Ministry has been asked to submit a list of "Cold War–oriented" equipment that can be eliminated.[75] Japan could easily spend far

FIGURE 3.3 CHINESE AND JAPANESE DEFENSE SPENDING, 1990–2004

SOURCE: INTERNATIONAL INSTITUTE FOR STRATEGIC STUDIES, *THE MILITARY BALANCE 2004–05* (LONDON: IISS, 2005).

more than it does on defense, yet it has chosen not to. Thus it is difficult to make the "hard balancing" argument that Japan is responding to China.[76]

Japan's military, although already quite powerful, has not been reoriented to face China's increasingly powerful blue-water navy. Military exchanges between Japan and China are slowly increasing. Since Chinese Defense Minister Chi Haotian's 1998 visit to Japan (the first since 1984), Chinese and Japanese minister-level defense officials have met numerous times.[77] Furthermore, since 1993, Japan Defense Agency officials have met annually with their Chinese counterparts. In October 2000, for the first time Japanese defense officials toured Chinese military barracks, and working-level meetings are also steadily increasing.[78]

The recent shift in Japan's defense policy toward a closer alignment with the U.S. has been accompanied by changes to its military, although those changes are incremental.[79] In December 2004, Japan released its "National Defense Program Outline," the first major updating of their defense policy since the mid-1990s. However, while directly mentioning China for the first time, the guidelines also called for reductions in many types of procurement and staffing over the next decade. In 2005, Japan actually reduced its defense budget. For instance, the new guidelines show a planned reduction in total armed forces from a current level of 240,000 personnel to just 155,000 in 2015. The number of main battle tanks will be reduced by 40 percent, from 1,020 to 600, and artillery reduced from 870 to 600. Surface combatant vessels will be reduced from 54 to 47, although the number of submarines will remain constant at 16, compared to China's 69. Japan's combat aircraft will number 350, compared to China's 2,600. These numbers do not indicate the relative quality of the arms, and Japan will most likely have quality of arms equivalent to, or even more advanced, than those of China. However, the main point remains that Japan shows little signs of actually arming itself with an aim to balancing China.

Indeed, the message Japan gives out is mixed: although former Japanese Prime Minister Junichiro Koizumi was often associated with a more assertive stance regarding China, he also said that, "I do not subscribe to the view that China is a threat. The fact that the Chinese economy is becoming more powerful does not necessarily mean that it will pose any military danger."[80] The selection of Shinzo Abe as Japan's prime minister in September 2006 led to a new round of speculation about how Japan might interact with China under his leadership, although it is too early to discern his overall approach. However, Masaru Tamamoto, an editor at the Japan Institute for International Affairs, notes that "nobody wants a bad relationship with Beijing, but the political class is stuck," for domestic politics reasons.[81] Barry Buzan

writes, "Without Japan being at the center of it, there could be no realistic Asian counter-China coalition, and there were no signs at all that Japan was interested in such a role, except as junior partner to the U.S."[82] While Japan is wary of Chinese growth, it has not yet engaged in direct balancing, either internally or through its alliance with the United States.

In sum, East Asian countries view China's rise more as an opportunity than a threat. East Asian states are not balancing China, and indeed hope to benefit from its rise. Although most states are not bandwagoning with China, they also are not balancing against it. As James Przystup writes, "it is highly unlikely that Japan or America's other allies in the region are prepared to join in a concerted containment strategy aimed at China . . . they have voiced their apprehension that actions taken in Washington could cause them to be confronted with difficult choices."[83]

INCREASED ECONOMIC RELATIONS WITH CHINA

As with East Asia–Chinese military relations, economic relations are growing closer, not more distant. No state in the region is attempting to limit economic exchanges with China in an attempt to slow or "balance" China's economic growth, but rather all states are moving to increase the ease with which companies and national economies interact with China. Later chapters will discuss in greater detail the nature of individual countries' economic interactions with China. Here I will briefly describe economic interactions with China that are already large and continue to grow. China is already the world's biggest market for many commodities, including cement and steel, and consumer goods, including cell phones and soft drinks.[84] In 2004, China was the world's third-largest consumer market. Paris-based retailer Carrefour has 240 stores in China, and plans to open 150 more store in 2005 alone, which would make it the fifth-biggest retailer in China. Other foreign retailers who have rapid expansion plans for the Chinese domestic consumer market include Wal-Mart (U.S.) and Metro (Germany).[85] As Gerald Curtis notes, "The entire region has become bullish on China. Businessmen and government leaders are hurrying to revise their view that economic relations with China amount to a kind of zero-sum game in which each Chinese success spells another country's defeat . . . private-sector and government policy are being driven more and more by the belief that relations with China can be turned into a win-win game."[86] That is, good relations with China also hold the possibility for regional stability and a spillover of increased economic and diplomatic cooperation.

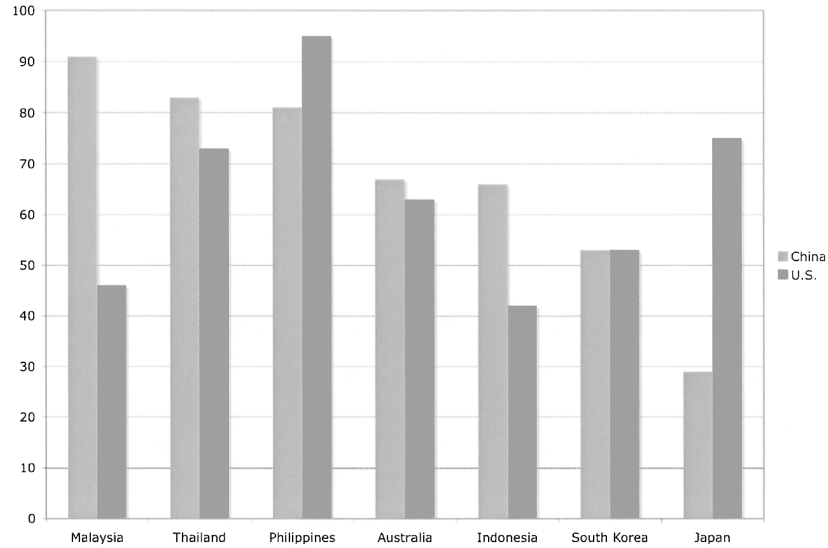
The overall orientation toward closer economic relations with China does not mean that every individual company in the region is benefiting from China's economic growth. As future chapters will show, many companies face severe competition from Chinese firms, while others are prospering by entering or engaging in outsourcing with the Chinese market. However, the overall orientation of national governments is to increase opportunities for economic interactions with China, not to limit them. As yet there has been little national response in terms of trade barriers or other attempts to limit interactions with China. Indeed, the reverse is true: countries throughout the region are exploring numerous and varied ways of increasing their economic integration with China.

EAST ASIAN ATTITUDES: THE ABSENCE OF FEAR

Like government policy toward China, East Asian public opinion about China is generally positive, and reflects little of the fear hypothesized in the pessimistic theoretical literature. By fairly large majorities, publics in all East Asian countries see China as becoming increasingly powerful in the region both economically and militarily. Significantly, however, those same publics show a favorable orientation toward China and its growth. This is the opposite of what the conventional theories predict: that powerful states cause other states to fear them. To be sure, public opinion is both subject to change and far from a determining element in deciding foreign policy, especially in nondemocratic states or states that are transitioning to democracy. However, the role of public opinion is important in that it reveals basic attitudes and orientations of people in East Asia toward China.

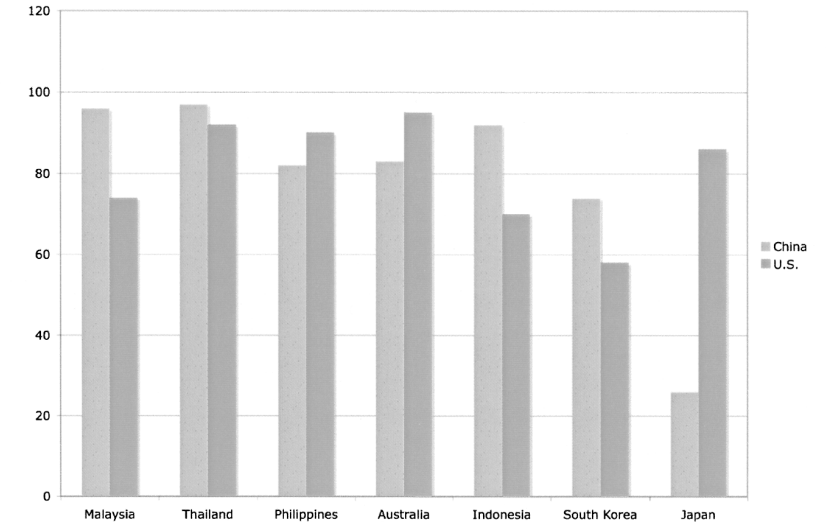
The U.S. State Department conducted a particularly revealing poll in 2005. It covered over 1,000 residents in eight East Asian countries and was specifically designed to be cross-national.[87] Regarding East Asian attitudes toward China and the United States, Figure 3.4 shows that majorities in most countries held favorable opinions of both of them. However, the only two countries in which more people held favorable attitudes toward the United States than those who held favorable attitudes toward China were the Philippines, which held favorable opinions of both countries by very large margins (81 percent positive to China, 95 percent positive to the United States), and Japan, with only 29 percent favorable views of China versus 74 percent favorable to the United States. Figure 3.5 shows poll respondents' perceptions of a "good" bilateral relationship with China and the United States. Again, most countries held favorable perceptions of relations with both countries, and

FIGURE 3.4 EAST ASIAN ATTITUDES TOWARD CHINA AND UNITED STATES (% FAVORABLE)



SOURCE: U.S. STATE DEPARTMENT, BUREAU OF INTELLIGENCE AND RESEARCH, "INR POLL: ASIAN VIEWS OF CHINA," NOVEMBER 16, 2005.

FIGURE 3.5 PERCEPTION OF BILATERAL RELATIONSHIP WITH CHINA AND UNITED STATES (% "GOOD")



SOURCE: U.S. STATE DEPARTMENT, BUREAU OF INTELLIGENCE AND RESEARCH, "INR POLL: ASIAN VIEWS OF CHINA," NOVEMBER 16, 2005.

only Japan showed significantly more respondents feeling the U.S. bilateral relationship was good as opposed to those who felt the Chinese relationship was good.

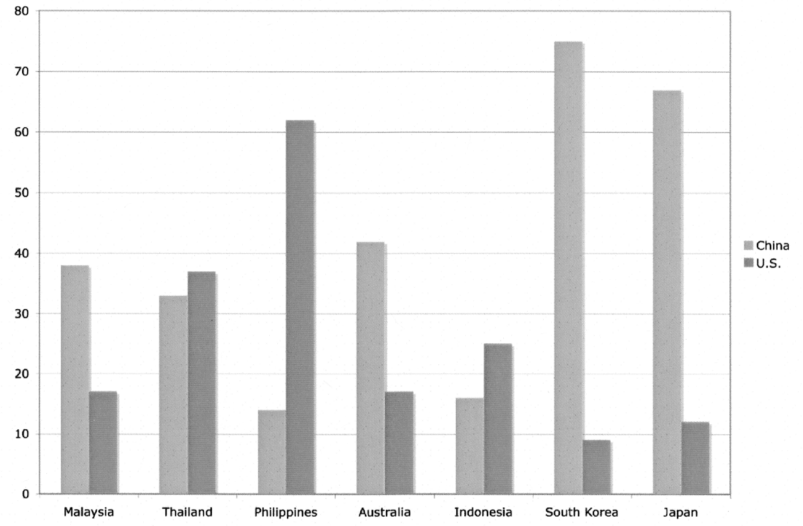
When people were asked about future expectations, the results were even clearer. Asked which country would be the future power center of Asia in five to ten years, overwhelming majorities chose China (see Figure 3.6). The results are particularly interesting in Japan and South Korea, where dominant majorities chose China over the United States. Predictably, the Philippine populace remains convinced that the United States will be the power center of Asia, but they are clearly alone in this perception. Finally, when surveyed as to who the closest economic partner would be in five to ten years, the United States placed after both China *and ASEAN* in Malaysia, Australia, and Indonesia. In Japan, 48 percent of respondents felt the U.S. would be the closest economic partner, versus 37 percent who chose China (see Figure 3.7).

A BBC poll conducted in 2005 in 22 countries reveals similar favorable views of China. In answer to the question, "Is Chinese influence in the world mainly positive or negative?" few in Japan say China has a negative influence (25 percent), but at the same time, only 22 percent answered that China has a positive influence. Significantly, the majority of Japanese (53 percent) had no opinion. In the Philippines, 70 percent of respondents said China has a positive influence, and in Indonesia 68 percent said that China has a positive influence. When asked whether China's increasing economic power was mainly positive or negative, more Japanese responded positive than negative (35 percent and 23 percent), while Australians responded 52 percent positive and 38 percent negative, Philippines 63 percent positive and 31 percent negative, and Indonesians 65 percent positive to 21 percent negative.[88]

Even countries that have been staunch U.S. allies reflect this trend. An Australian opinion poll in April 2005 found that 69 percent of those surveyed had "positive feelings" toward China, while only 58 percent had positive feelings for the United States. Furthermore, 72 percent of respondents agreed with "Australian Foreign Minister Alexander Downer's expressed view that the United States should not automatically assume Australia's assistance in the event that US becomes embroiled in a conflict with China over Taiwan."[89] A Thai opinion poll conducted in 2003 found that 76 percent of Thais said China was Thailand's closest friend, 9 percent named the United States, and 8 percent named Japan.[90]

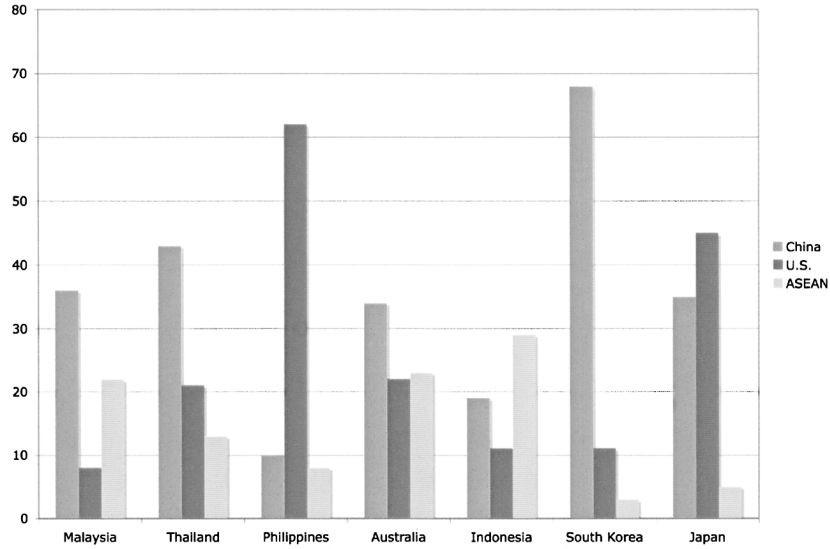
Public opinion is only one measure of public attitudes, and it would be unwise to make too much of poll results. Attitudes can change quickly, and polls rarely measure the intensity and depth with which opinions are held.

FIGURE 3.6 ASIA'S FUTURE POWER CENTER (%)



SOURCE: U.S. STATE DEPARTMENT, BUREAU OF INTELLIGENCE AND RESEARCH, "INR POLL: ASIAN VIEWS OF CHINA," NOVEMBER 16, 2005.

FIGURE 3.7 CLOSEST ECONOMIC PARTNER IN 5–10 YEARS (%)



SOURCE: U.S. STATE DEPARTMENT, BUREAU OF INTELLIGENCE AND RESEARCH, "INR POLL: ASIAN VIEWS OF CHINA," NOVEMBER 16, 2005.

However, the evidence is fairly clear that, with the exception of Japan, the states and populaces in East Asia see China as increasingly important, and often view this rise favorably. There is little sentiment in East Asia for a confrontational approach toward China. Even the Japanese, although skeptical about China, see it as the future power center of East Asia.

MULTILATERALISM IN EAST ASIA

In addition to increasingly close bilateral relations between China and East Asian countries, in the past three decades East Asia has embarked on a path toward regional integration with increasing rapidity.[91] T. J. Pempel has identified two broad processes that are occurring in East Asia: regionalism and regionalization. Regionalism "involves the process of institution creation . . . when nation-states come together through top-down activities."[92] In contrast, "regionalization" is a process that "develops from the bottom up through societally driven processes . . . [such as] markets, private trade and investment flows, and the policies and decisions of companies."[93]

Three drivers have been important for the increased regionalism in the region. First, the end of the Cold War created permissive conditions for states to cooperate more closely with one another. Although some regionalism had developed during the Cold War, such organizations as SEATO (Southeast Asia Treaty Organization) were highly ideological, and even their own members were reluctant participants. Furthermore, the Cold War created divisions within the region that inhibited the development of regional institutions as the Soviets and Americans competed for influence.

Second, the 1997 Asian financial crisis spurred both an awareness of the interconnectedness of the region and also feelings that the United States was not as willing to aid East Asia as had been believed. Indeed, many East Asians felt that the U.S. was indifferent to their problems. Tsutomu Kikuchi has described "a feeling of humiliation shared by many East Asian countries" following the 1997 Asian financial crisis.[94] Donald Emmerson notes that "from within ASEAN . . . Washington was reproached for hostility, or indifference, or both—for torching the region's economies and then letting them burn."[95] Such sentiments were not helped by official U.S. pronouncements, as when Treasury Secretary Robert Rubin called the Thai currency implosion only a "glitch in the road."[96]

Third, the rapid economic growth in the region over the past half-century resulted in states that were more confident as well as increasingly interconnected. East Asian growth has been predicated on outward-looking,

export-oriented development strategies that exhibit a measure of deep government involvement in the economy.[97] This model, often called "the developmental state," sets the conditions for states to enhance their interaction on economic matters.

Overall, East Asian governmental regionalism has grown dramatically in the past few decades.[98] In 1990, there were only Asia-Pacific Economic Cooperation (APEC), and ASEAN, which consisted of only six countries. By 2005, ASEAN had expanded to ten countries (Vietnam, Laos, Cambodia, and Burma joined during the 1990s). It has become the most visible group, and as regional identities have developed, the norms of consensus have often been dubbed "the ASEAN way."[99] At its heart, this principle covers the idea of state sovereignty, codified in Article 2 of the Treaty of Amity and Cooperation.[100]

Other organizations include CSCAP (Committee on Security and Cooperation in the Asia Pacific, 1993), ACFTA (ASEAN–China Free Trade Area, 2005), ARF (ASEAN Regional Forum, 1994), ASEAN+1 (ASEAN and China), ASEM (Asia-Europe Meeting, 1995), ASEAN+3 (ASEAN and Japan, China, and South Korea, 1997), and the East Asia Summit (2005). China also started the Shanghai Cooperation Organization (SCO), which comprises China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. The SCO is focused on nontraditional security threats such as terrorism, but also includes confidence-building and force reductions along with increased economic cooperation among the states. At the 2003 annual meeting, Chinese Premier Wen Jiabao proposed creating a free-trade zone among the member states.[101] Alexa Olesen notes that "China is at least as powerful a force in Asia and within APEC as is the United States."[102]

China has shown a genuine desire to be an active member of these regional and international organizations, and this is perhaps best reflected in its considerable efforts to join the World Trade Organization (WTO).[103] Xinbo Wu notes that "the PRC understands that the best way to defend its interest is to make its own voice heard in the rule-making process"[104] by joining influential regional and international institutions.[105] Most notably, China has joined the WTO[106] and agreed to a sweeping set of reforms designed to bring its domestic economic practices in line with global standards.[107] China has also joined a number of other global institutions, such as the International Monetary Fund (IMF) and the World Bank, and is active in the United Nations, providing troops to peacekeeping missions and participating in global development forums such as UNESCO.

Financial cooperation is also increasing. In 1991, Japanese Foreign Minister Taro Nakayama proposed a security dialogue that would include ASEAN, China, Japan, South Korea, the United States, Canada, and Australia. U.S.

Secretary of State James Baker opposed the proposal, "because the United States wanted no regional framework that could jeopardize the hub-and-spokes arrangement it dominated."[108] It was only in 1997 that Japan began to take a more active regional role, through its proposal to create an "Asian Monetary Fund" similar to the IMF. Bowing to vigorous U.S. pressure, Japan abandoned the proposal.[109]

In June 2003, China and ten other East Asian countries agreed to establish an Asian Bond Fund of $1 billion that would create a regional bond market, funnel foreign exchange reserves back into the region, and respond to "economies in crisis," with a second bond fund established in December 2004 valued at $2 billion.[110] Another significant move was the Chiang Mai initiative—a currency swap arrangement among Asian states designed to help avoid the currency crisis that led to the 1997 crisis.[111] Between 1997 and 2003, local-currency East Asian bond markets tripled in size, with the Asian Development Bank supporting the ASEAN+3 (ASEAN and China, South Korea, and Japan) initiative.[112]

Although these multilateral institutions have experienced varying degrees of success, the region itself has seen a flourishing of intra-regional institutionalization and cooperation since the 1980s. It is far more integrated than many observers expected, with many of these multilateral institutions including China as a regular member.[113] In October 2003, China became the first large power from outside of ASEAN to sign the Treaty of Amity and Cooperation in Southeast Asia (India followed soon thereafter). The treaty includes pledges to avoid disputes and resolve by peaceful means those that do occur, and to refrain from even the threat of force.[114] Just as significantly, in November 2002 China signed the Declaration on the Conduct of Parties in the South China Sea, a memorandum that prohibits the use of force to settle rival claims over the oil-rich Spratly Islands.[115]

The other aspect of integration is "regionalization"—the increasing web of business and cultural relationships that are weaving East Asia together. Later chapters will discuss aspects of this regionalization in more detail. Regionalization in modern East Asia is characterized by three major strands of relationships. The first strand of informal regionalization was basically dominated by Japanese corporations—the so-called "flying geese"—built around Japanese capital and technology, which tied other East Asian states' economic fortunes into a Japanese corporate model.[116] The second strand was the reemergence of the Chinese diaspora that has spread throughout Southeast Asia, and increasingly ties China into the region. The third strand has been other East Asian business conglomerates, such as those from South Korea and Taiwan, which have increasingly invested not only in the United

States and Europe, but throughout East Asia as well. Furthermore, although much of this bottom-up regionalization has been economic in nature, regional cooperation also includes cultural flows of people and ideas. In 2004, over 4.4 million Chinese tourists visited Southeast Asia, and almost 3.5 million Japanese tourists did so. Culturally, South Korean television dramas are popular in Taiwan, Japan, China, and the Philippines (*hallyu,* or "the Korean wave"), while Japanese *anime* and pop music are known throughout the region, as well as Hong Kong movie directors such as Wong Kar-wai.[117]

Domestic political coalitions are also an important factor in explaining the development of regional integration. As noted earlier, the rapid economic growth in the region has been one of the defining characteristics of East Asia. States are not only focused primarily on this process of domestic economic and political development, but this also creates incentives to cooperate with their neighbors, especially because trade and foreign investment are such major aspects of the region's development. Etel Solingen notes that "take away markets and domestic politics that have produced them and one removes the most fundamental feature differentiating East Asia from other industrializing regions."[118] That is, political leaders use both material and cultural capital to argue for internationalization, and to build domestic coalitions. Solingen notes that the internationalist coalition emphasizes "domestic economic growth, cooperation and stability in the region, and dependable access to global markets, capital, investments, and technology." Such a coalition has little use for unproductive military defense spending based on external threats, or the protection of state-owned enterprises under the guise of national security.

The potential "backlash coalition" tends to comprise ethnic, religious, and civic groups threatened by internationalization, and inward-oriented sectors of the economy. Although this backlash coalition remains weak in most East Asian countries, regional instability can affect the balance of power between these opposing coalitions. To the extent that East Asian growth has been predicated on export-oriented sectors working with governments to expand integration in the world and regional economies, this economic growth has been a factor in driving the growth of regional institutions.[119] Throughout East Asia, the implicit—and sometimes explicit—social bargain consisted of high growth, employment, and investment combined with selective openness to international trade and finance, and direct investment. This involved regional stability and low defense expenditures, although occasionally leaders would attempt to use an external threat as a device for retaining power at home. Amitav Acharya notes that "the attainment of performance legiti-

macy through economic development is a key element of comprehensive security doctrines found in ASEAN."[120]

In East Asia, both regionalization and regionalism are occurring at a rapid rate, to the point where arguments about the relative underinstitutionalization of Asia made in the early 1990s are obsolete today. The question is not whether, but why, East Asia has become an increasingly integrated region, and what that means for security. Although East Asian institutions are not yet strong enough to constrain state behavior, the process has had an effect in providing information about intentions and strategies the states are pursuing.

A careful review of the evidence leads to the conclusion that East Asian states are not engaged in military balancing of China. No state other than Taiwan fears the Chinese use of force against it, and as will be discussed in chapter 4, even Taiwan is unsure about its strategy toward China. Most East Asian states are working to increase and improve their relations with China across a range of issues, from military cooperation and planning, to economic, diplomatic, and institutional relations. In terms of popular perceptions, East Asian publics see China as increasingly powerful and influential, but they also tend to have favorable opinions of China. Finally, regional institution building has progressed rapidly, picking up pace in the wake of the Cold War. This overall trend should not be seen as East Asian states bandwagoning with China—no state is abrogating relations with the United States. Indeed, no country wants worse relations with the United States, but they are also not relying on the America to deter China.

Since East Asian states' alignments toward China fly in the face of much conventional international relations theorizing, the rest of this book will focus on explaining why East Asian states are not balancing China. To that end, I focus on the role of East Asian identities. The next chapter will thus look at China's own view of its role and position in East Asia.