

China's Rise and Regional Strategy: Power, Interdependence and Identity

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Abstract:

This article attempts to examine and critique the theoretical debates on the rise of China and its regional strategy in East Asia. Three major paradigms in international relations theories – realism, liberalism and constructivism – are focused on. This article argues that each theoretical theory alone is inadequate for a comprehensive understanding of China's regional strategy in East Asia since the late 1990s. While sometimes they are considered as competing approaches, these different theoretical perspectives supplement each other. It concludes that only a combination of material interests and ideational factors at both the domestic and systematic level can deepen our understanding of China's regional behaviour.

Key Words: the rise of China, East Asia, hegemony, economic interdependence, regional cooperation

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1. INTRODUCTION

The rise of China as an important player in the world stage has become a significant phenomenon in recent years. With China's increasing enthusiasm toward regional cooperation in East Asia¹ since the Asian Financial Crisis, the discussion on China's rise and its regional strategy has raised growing concerns within the international community of states and especially among China's neighbours. While some observers view China's great activism in regional cooperation as a bid for regional hegemony, others consider it as promoting economic interdependence and mutual interests. Will China's rise be more peaceful, or will it threaten the regional and global stability? Will China use its growing military power to assert its territorial claims, or will it be constrained by economic interdependence? Will a rising China challenge the rule of the international community, or will it comply with the current international regimes? These questions have been heatedly debated by Western scholars and analysts.

In this article, three major paradigms – realism, liberalism and constructivism – on the rise of China and China's regional strategy will be explored respectively. Following the examination of both the strengths and weaknesses of each perspective, this article argues that each theoretical theory alone is inadequate for a comprehensive understanding of China's regional strategy in East Asia since the late 1990s. While sometimes they are considered as competing approaches, these different theoretical perspectives supplement each other. It concludes that only a combination of material interests and ideational factors at both the domestic and systematic level can deepen our understanding of China's regional behaviour.

2. THE REALIST APPROACH

2.1 Realist theories on the rise of China

Generally speaking, realism² is based on the assumptions that: the international system is anarchic; sovereign states are central actors in world politics and are rational agents; there is no central authority governing the behaviours of states (Morgenthau 1973, p.10, Waltz 1979, p.95); the structure of the international system shapes the behaviour of states (Gilpin 1981, p.10; Morgenthau 1978; Waltz 1979); states often fail to cooperate (Waltz 1979, p.115-116;

¹ Defining the region is not easy. For the purpose of this article, East Asia is defined as ASEAN states plus China, Japan and South Korea.

² Here I do not distinguish between classical realism and neo-realism, as on the core assumptions, mentioned here, their points are similar. To be sure, realism is a general paradigm that includes a wide range of theories: classical realism, neo-realism (defensive realism and offensive realism) and so on. While they agree on some basic assumptions, there are substantial differences among them. For instance, regarding the question why states pursue power, classical realism and neorealism have different answers. For classical realists, such as Morgenthau, it is due to the human nature. For neorealists, such as Waltz and Gilpin, it is due to the structure of the international system.

Morgenthau 1973, p.512) and in order to survive in such a self-help system, states have to struggle for power (Morgenthau 1973, p.12).

Realism seems to offer a compelling explanation for the ‘China threat’. Realists focus on the shift of power relations in the international system between states. Robert Gilpin suggests that as the power of a state increases, ‘a state will seek to change the international system through territorial, political and economic expansion until the marginal costs of further change are equal to or greater than the marginal benefits’ (Gilpin 1981: 106). Starting from these premises realists claim that China is dissatisfied with the existing international structure and the power relations it generates, and thus seeks to challenge the status quo (Buzan and Segal 1994, p.6; Gernstein and Munro 1997). Some have argued that China’s final goal is to obtain global hegemony (Yee and Storey 2002, p.7).

Many realists offer a pessimistic scenario of the consequences of a stronger China for the international society. To many realists, the challenge which a rising China will pose to international community will be difficult to circumvent. Some others even suggest that Asia is becoming ‘Sino-centred’ (Zakaria 2005; Heberer 1999).

Many realists, like Stephens (2005), Sutter (2005b) and Roy (2003), consider that China’s regional strategy is to challenge America’s position in East Asia. They believe that China’s rise will be zero-sum game between China and the US. For some other realists, such as Friedberg (1993), Organski and Kugler (1980), a dissatisfied great power will be likely to challenge the dominant state and it could possibly lead to conflicts and wars. China, accordingly, falls into this category. This group of realists predict a ‘coming conflict’ between China and the US.

2.2 Historical analogies

While these voices warn of China’s growing threat to the US, few are theoretically examined. In this sense, John Mearsheimer’s argument deserves our specific attention. Mearsheimer, one of the most influential proponents of a branch of realism named offensive realism, offers a strong defense of the theory and its application to China’s conflict with the US. According to Mearsheimer, survival is a state’s most important goal. If a state survives, it can pursue any other goals. The structure of international system forces states to compete with each other for power (Mearsheimer 2006, p.160). Mearsheimer shares the point with many other realists, such as Kenneth Waltz (Waltz 1979). However, for Mearsheimer, states always strive to maximize their powers (Mearsheimer 2001, p.145)³.

Mearsheimer applies the same logic to China. According to him, a rising China is ‘likely to try to push the US out of Asia, much the way the US pushed the European great powers out of the

³ In contrast, Waltz argues that ‘states balance power rather than maximize it. States can seldom afford to make maximum power their goal. International politics is too serious a business for that.’ (Waltz 1979: 127)

Western Hemisphere.' Mearsheimer suggests that China would 'come up with its own version of the Monroe Doctrine, as Japan did in the 1930s' (Mearsheimer 2006, p.162).

Mearsheimer's argument seems problematic. His conclusion that China will threaten the US is simply based upon historical analogies from the American experience. While Mearsheimer's theory of offensive realism might be powerful to explain the foreign policy of the US, it does not mean that his theory can fully explain the whole picture of contemporary Chinese foreign policy and regional strategy. As Johnston (2003, p.28) suggests, 'historical analogies are analogies, not causes or explanations. Analogical arguments tend to haphazardly pick and choose the similarities to focus on while ignoring potentially important differences'. Actually states have their distinctive characteristics which will differentiate themselves from others. Some typical characteristics of Chinese foreign policy are influenced by China's unique historical experience. For instance, the perception of how the Chinese views China's position in the world is a controversially mixed attitude of China being both a great power and a weak power. On the one hand, due to its size, culture and history, China views itself as a great power. The rise of China is often described by many Chinese as 'daguo jueqi' [the rise of a great power]. China tries to shape itself as a great power in the world. China wants to demonstrate to the world that it could be a great power economically and politically, and perhaps finally achieve the same position as the US (Kurlantzick 2007, p.42). Meanwhile, 'Daguo guanxi' [the great power relations] is always the most important issue in China's approach to foreign policy (People's Daily 16 March 2009). On the other hand, many Chinese think that China is still weak economically and politically. A lot of areas, especially the western part of China, are still undeveloped. In some occasions, such as China's application for the WTO membership, Chinese leaders requested special privileges due to its economic underdevelopment.

Some other realists, such as Yuankang Wang (2004), do present some historical evidence from imperial China in order to illustrate the power of offensive realism. By presenting evidence from two specific periods in Chinese history, the Song Dynasty (960-1279) and the Ming dynasty (1368-1644), Wang attempts to illustrate that historically Chinese policymakers have sought to maximize China's relative power until the state achieved a predominant position in East Asia (Wang 2004, p.184-190). However, Wang's argument is problematic as he merely makes a contemporary inference from particular parts of Chinese history. Wang has not explained clearly why China's foreign policy today should definitely have inherited some specific historical experiences like the China-centred imperial system of Song Dynasty and Ming Dynasty, rather than others and ignores the question of why the current Chinese foreign policy should not have been changed by new and different historical conditions?

2.3 The rapid expansion of China's military capability

Besides the scholars above whose arguments are based upon historical analogies, some others who argue that China will balance against the US in East Asia typically point to the rapid expansion of China's military capability. Swaine (2005) has stressed some critical developments in China's increased regional military capability and pointed out that the final

goal of these military modernization developments is to counter the US. Bates Gill (2005) draws attention to the fact that China's defence budget increased dramatically in the last two decades. The official Chinese defence budget rose twice from 1989 to 2000. Then, it increased by 17 percent in 2001, 17.7 percent in 2002, and 9.6 percent in 2003 (Gill 2005, p.131). In addition, Gill notes that China spent an average of about \$750 million every year from 1989 to 1999 in purchasing foreign weapons. In 2001 the spending was doubled as it was in 1999. In terms of whether the US and China will come into conflict, Gill indicates that the presence of the US in East Asia will obstruct the development of China's military power.

There seems to be no doubt that the rate of increase in Chinese military expenditures has grown dramatically in the last decade. China's military expenditure increased by 194 per cent from 1999 to 2008, the highest among the top five military spenders. In particular, China for the first time became the second largest military spender in the world in 2008 (SIPRI yearbook 2009, p.183).

However, compared with the US, China spends relatively little on its military. From the table below, the US, with nearly 42 percent of the total, has the largest share in the world. China's military spending is merely about one eighth that of the US. Clearly, China's military expenditure is too far to reach the level of the US.

The five states with the highest military expenditure in 2008

Rank	Country	Spending (\$ billion)	World share (%)	Spending per capita (\$)	Percentage of GDP (%)	Change, 1999-2008 (%)
1	US	607	41.5	1967	4	66.5
2	China	84.9	5.8	63	2	194
3	France	65.7	4.5	1061	2.3	3.5
4	UK	65.3	4.5	1070	2.4	20.7
5	Russia	58.6	4.0	413	3.5	173
Sub-total top 5		882	60	--	--	--
World		1464	100	217	2.4	44.7

Sources: SIPRI Yearbook

More importantly, the absolute size of China's annual military spending growth cannot explain everything. If the military expenditure is measured by the percentage of Gross Domestic Product (GDP), it could be found that the increase of China's military expenditure is quite moderate. According to the data above, China's military spending accounted for merely 2 per cent of its GDP. In contrast, the US spent 4 per cent of its GDP, twice as much as China did proportionately. The figure also indicates that China was the smallest spender among the top five military spenders in 2008. China's military spending as a share of its GDP was even lower than the world's average level. As Johnston suggests, 'as a percentage of GDP, Chinese military expenditures do not appear to have reached levels where one could conclude that the

Chinese economy is being militarized and mobilized to balance against US power' (Johnston 2003, p.39).

2.4 Regional cooperation to exclude the US

From the 1990s, China's growing active multilateral diplomacy in East Asian regional cooperation is viewed by many realist scholars, such as Sutter (2005b) and Kurlantzick (2007), as being directed at weakening the predominance of the US in East Asia and undermining the US alliances in this region. In their view, China's strategic objective in regional cooperation in East Asia is to push the US out of Asia and ultimately achieve regional hegemony. Sutter (2005b) suggests that by promoting the Free Trade Agreement with ASEAN (ASEAN-China FTA), and by promoting the Asia-only group (ASEAN Plus Three) with other East Asian states, China has manoeuvred explicitly to exclude the US. Southeast Asia has already become a major place for China to marginalize the US. In addition, Kurlantzick suggests that through regional cooperation in East Asia, China's influence is growing at the expense of the US (Kurlantzik 2007). Consequently, East Asian states could be forced to choose sides between Washington and Beijing.

Again, Sutter and Kurlantzick's interpretations are over-simplistic and cannot explain the totality of China's regional strategy in East Asia. It ignores the domestic decision-making process in China. Johnson's point could be correct: for some in China, particularly the hardliners in the PLA or the Ministry of Defense, constraining American influence in East Asia might be part of the strategic consideration to promote the ASEAN Plus Three. However, China's enthusiasm for regional cooperation in East Asia was not promoted by this group of people, but largely driven by China's economic reformers, such as Zhu Rongji and Wen Jiabao (Johnston 2003, p.52). In fact, this is a common weakness in realist, as well as liberal, perspectives. Realism's state-centric focus fails to see that domestic politics had had an influence on Chinese foreign policy. Realists argue that states are the central actors in international politics and that domestic politics plays little role in international politics and find it difficult to incorporate theories of domestic politics into their analysis in a consistent manner.

In sum, realists especially those who emphasize the China threat consider the emerging China as a dissatisfied power, which will challenge the dominant powers in the world. Their conclusion is premature. Some of them simply apply other states' experience to China, others wrongly generalise about China's grand strategy from one or two selected historical dynasties. In addition the state-centric focus of realists fails to see the influence of domestic politics on the international system. Based on the analysis above, it is easy to find that realist perspectives, especially the offensive realism, are over simplistic to explain the whole story of China's regional strategy in East Asia.

3. THE LIBERAL APPROACH

3.1 Liberal/Neoliberal Theories and Economic Interdependence

Generally speaking, liberals contend that the increase of economic interdependence will decrease the likelihood of political conflicts. According to Cooper (1972), 'economic interdependence' refers to 'the sensitivity of economic transactions between two or more nations to economic developments within those nations' (Cooper 1972, p.159). Keohane and Nye (1977) define 'economic interdependence' in a broader sense. According to Keohane and Nye, the international system is characterized by 'complex interdependence', which is 'reciprocal effects among states' due to 'international transactions: such as flows of money, goods, people and messages across international boundaries' (Keohane and Nye 1977, p.8-9). In the context of complex interdependence, non-governmental actors, such as international organizations, impact significantly on economic interactions between states and thereby play a significant role in international relations. With the close interconnection between states, Keohane and Nye (1977) suggest that the likelihood of the use of force will decrease.⁴ In addition, Mitrany (1943) suggests that economic interdependency has a 'spill-over' effect.

3.2 China in the interdependent East Asian Economy

With respect to China, are these liberal arguments accurate? Many liberals, such as Christopher Findlay and Andrew Watson (1997) and Lampton (2005), argue that China is more and more involved in the process of 'complex interdependence' described by Keohane and Nye (1976). For instance, Lampton (2005, p.307) suggests that 'regional cooperation is currently seen in Beijing as a more feasible way to protect economic interests and interdependencies than a ruinous drive for military power that Beijing's leaders believe brought the Soviet Union down'. Similarly, Findlay and Watson (1997) demonstrate that China's interaction with the world economy increases the level of economic interdependency between China and the rest of the world.

More importantly, according to Findlay and Watson (1997), growing economic interdependency has transformed the relationship between China and the rest of the world in a constructive way. On the one hand, China has become more dependent on the rest of the world to sustain its current growth. On the other hand, China's fast economic development stimulated growth and changes in East Asia as well as in the world. China, according to the liberal perspective, has become an engine of growth and a catalyst for regional integration (Economy 2005; Ahn: 2004; Beeson 2005; Hale and Hale 2003). As Beeson (2005) argues, China has already been considered a central place as a driver of regional economic activity, 'something that would seem to make greater East Asian regionalism more likely than not' (Beeson 2005, p.981).

China has actively participated in various international and regional economic institutions (Pearson 1999, Harris 2004, Cai 2005, Leong 2001, Vatikiotis 2003). Through China's

⁴ However, power still plays an important role in Keohane and Nye's theory. Two important concepts are 'sensitivity and vulnerability', details see Keohane and Nye (1977).

participation in these international and regional organizations, some liberals believe that these organizations moderate and restrain China's foreign policy behaviour and encourage more cooperative actions. Margaret Pearson (1999) examines China's incorporation into the major multilateral economic institutions both at the global and regional level, such as the IMF, WTO and APEC. Strong evidence, according to Pearson, suggests that these international and regional organizations have successfully engaged China and encouraged it to 'play by the rules of the game' (Pearson 1999, p.207).

With the growing economic interdependence between states, some scholars, such as Xia (2001) and Cha (1999), argue that many states prefer to solve their disputes through peaceful ways. Yahuda (2005) points out that, given China's previous relative isolation and its inexperience in institutionalized cooperation, regional multilateral institutions have provided platforms for China and its neighbours to work together and to minimize conflicts. At the same time, China has made great efforts to maintain peace and mitigate conflicts with its neighbouring states. Victor Cha (1999), David Rousseau (2003) and Yuen Foong Khong (1999) show in their work that there have been impressive improvements in China's relations with South Korea and some Southeast Asian states, such as Singapore. According to Cha (1999), China's relationship with South Korea improved dramatically in the 1990s. Nowadays, China is perceived as a 'status quo' power rather than a 'revisionist power' by many South Koreans (Cha 1999, p.35-36). According to Zhang and Tang (2005), through the adoption of a more cooperative approach towards East Asia, China hopes that other states in the region will regard China's rapid economic growth as a source of opportunity than that of a threat.

A large amount of liberal/neoliberal discussions on China's cooperative behaviour in regional cooperation against the context of economic interdependence generally focus on two main aspects: China's relations with Southeast Asia and China's relations with Japan.

According to the neoliberal perspective, the closer economic cooperation between China and ASEAN has promoted a more cordial atmosphere and cooperative relations between them in political and security spheres (Cai 2005; Shambaugh 2005; Lampton 2005). In October 2003, China formally acceded to ASEAN's Treaty of Amity and Cooperation, becoming the first non-ASEAN state to do so. Lampton (2005, p.315) argues that, given China's (as well as others') use of force in the South China Sea from time to time (most notably at Mischief Reef in 1995), China's willingness to sign this treaty is notable. This unprecedented step commits China to the core elements of ASEAN's 1967 charter. Having also signed the Declaration on Conduct in the South China Sea, China has now formally committed itself to the principles of nonaggression and noninterference, as well as a variety of other conflict resolution mechanisms (Shambaugh 2005).

In addition, many liberal/neoliberal scholars emphasize that the strong, growing economic interdependence between China and Japan is crucially important to their relationship as a whole (Yoichiro 2003; Yang 2003; Yahuda 2006). According to them, economic relations between China and Japan can be characterized as complementary rather than competitive, reflecting the

gap in the level of development (Kwan 2002; Klein 1998; Austin and Harris 2001). Austin and Harris (2001) note that China has many natural resources that Japan needs. Japan, on the other hand, has the capital, technology and human skills China needs for its modernization and industrialization. Thus, China and Japan share mutual interests in proceeding with economic cooperation.

As stated above, liberal perspectives, especially those centred on the consequences of economic interdependence, have no difficulty in explaining the peaceful evolution of relations between China and economic development of East Asia in terms of regional cooperation since the late 1990s. Economic interdependence between China and its neighbouring states creates interests in stable, cooperative political relations by increasing the opportunity cost of conflicts (Xia 2001). Interdependence theorists are therefore interested in evidence of increasing economic contact and integration between China and East Asian states in the context of East Asian cooperation under the framework of ASEAN Plus Three (APT) and would assume that political stability would follow economic interests. And they can point to the marked improvement of China and Southeast Asian economic and political relations since the late 1990s (Cai 2003; Ba 2003; Leong 2001; Vatikiotis 2003).

3.3 Limitations of liberal/neoliberal perspectives

Liberals who focus on economic interdependence, to some extent, tend to oversimplify the complicated nature of international relations in East Asia and to ignore some of the potential problems behind economic interdependence. In particular, the two examples regarding Sino-Japanese relations and Cross-Strait relations between the mainland China and Taiwan challenge economic interdependence perspective that the economic interdependence will decrease the likelihood of political conflicts.

In the first case, the economic interdependence explanation sits uneasily with the continuous deterioration of Sino-Japanese diplomatic relations since the late 1990s in the context of East Asian regional cooperation under the APT framework. Certainly, the economic interdependence between China and Japan is important to overall Sino-Japanese relations and the leaders of both sides have reached common grounds on the significance of their economic interdependence (Yahuda 2006, p.166). However, the close economic interdependence failed to prevent the deterioration of their diplomatic relations. One of the main reasons for the deterioration of Sino-Japanese diplomatic relations is due to the Japanese Prime Minister's visit to Tokyo's Yasukuni Shrine—Japan's military cemetery. For the Chinese government, these visits demonstrate that the Japanese government has not repented the history that the Japanese invaded China during the 1930s and 1940s. Since the late 1990s the overall diplomatic relations between China and Japan have been even worse than before. It seems that the economic interdependence by itself can neither resolve disputes over history nor reduce the mistrust between China and Japan. Therefore, Buszynski's criticism could be right that 'when two countries which have a history of conflict and rivalry are brought together in a situation of tight interdependence the increased sensitivity may aggravate the relationship' (Buszynski 2009,

p.146). In this sense, the Sino-Japanese relationship in the APT framework in East Asia challenges the interdependence perspective.

In addition, the general interdependence argument that economic interdependence would lead to reductions of conflicts and improvements of political relations does not work in relation to Taiwan. As Taiwan is one of the largest twenty economies in the world and is a major component of the investment and production network in East Asia, the involvement of Taiwan into regional cooperation network in East Asia would have brought more benefits to East Asian states. Economic interdependence theorists cannot easily explain why China has proactively pursued the regional economic integration process in the framework of APT, but at the same time strongly opposed the participation of Taiwan in the integration of this regional cooperation framework.

These two exceptional examples suggest that in some situations, economic interdependence alone could not be sufficient to lead to the improvement of political relations. Although economic connections and interdependence between China and Japan as well as between mainland China and Taiwan have deepened, there is no obvious sign that economic interdependence spills over into other aspects of their relations, especially in the political and security aspects.

Another weakness of the liberal institutionalism analysis (as well as the realist theories) on China's rise and its regional strategy is its 'state-centric' focus. Neoliberal scholars, such as Robert Koehane (1984) and David Mitrany (1943), tend to black box domestic politics. Like realists, they treat states as units and domestic politics play little role in states' foreign behaviour. Regarding China's regional strategy in East Asian cooperation, this weakness also exists. Few scholars in the economic interdependence literature consider whether Chinese bureaucratic politics plays a role in the decision-making of China's regional policies or whether domestic issues in China have any systematic influence on China's promotion of regional cooperation in East Asia. Was China's promotion for regional financial cooperation related to its internal vulnerability in banking system? Was it oriented from the pressure of domestic unemployment in South China?

4. THE CONSTRUCTIVIST APPROACH

The debate over China's rise and its regional strategy in East Asia is dominated by realism and neoliberalism theories, which provide valuable insights on this issue. However, both perspectives pay little attention to the ideational side of the debate, such as values and identities in shaping the decision of policy makers. This limitation has given rise to other perspectives, in particular constructivism.

4.1 Constructivism theories

Constructivism focuses on the constitutive role of norms, identities or shared understanding of individuals and states (Ruggie 1998). Rather than emphasizing that international politics is a

world of recurrence and repetition, as realists do, Nicholas Onuf (1989) argues that international politics is a ‘world of our making’. It means that ideas, beliefs and values shape social identities of political actors and also influence the behaviour and actions of political actors.

Many constructivists believe that the identity of the state determines its interests, and its actions. Wendt points out that ‘identities are the basis of interests’ (Wendt 1992, p.398) and ‘material resources only acquire meaning for human action through the structure of shared knowledge in which they are embedded’ (Wendt 1995, p.73). In this sense, constructivism helps to understand how these states choose their interests and preferences. In contrast, rationalist approaches (such as realism and liberalism) focus on strategic questions such as how states pursue their goals and how states calculate costs and benefits of different actions. However, they cannot tell what state preferences are and where such preferences come from.

4.2 Constructivist perspectives on the rise of China

Generally speaking, few constructivist scholars have directly addressed China’s rise and its regional strategy in East Asia.⁵ They usually put a central emphasis on the role of the ideational factors in shaping China’s regional behaviour.

Some constructivists stress the role of national identity⁶ in explaining China’s foreign policy in general (Gries 2004; Carlson 2004; Rozman 2004). From the 1990s, as Rozman has argued, China has increasingly pursued a ‘great power identity’ (Rozman 2004). The great power identity is largely shaped by a state’s enduring perception of other great powers and the interaction between them (Rozman 2004, p.120). Rozman emphasizes that these three great power relations play an important role in shaping China’s great power identity.

In line with Rozman’s perspective, other scholars, such as Michael Leifer, Andrew Nathan and Robert Ross, explore the historical reason for China’s great power identity. Nathan and Ross suggest that, ‘in contrast to the self-confident American nationalism of manifest destiny, Chinese nationalism is powered by feelings of national humiliation and pride’ (Nathan and Ross 1997, p.34). It is true that many Chinese are proud of China’s civilization and are also shamed by the ‘century of humiliation’ (bai nian guo chi). The concept of ‘century of

⁵ In contrast, many realist and liberal literatures address factors such as historical memory and perceptions of China. James Fearon and Alexander Wendt explain that there is little difference between rationalism and constructivism on the issue whether ideas matter (Fearon and Wendt 2002: 59). The difference is how important the ideas are.

⁶ National identity, according to Rozman, is defined 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’. National identities have two components: current interactions with other states and their own history.

humiliation,⁷ (*bai nian guo chi*), which refers to the period that Chinese suffered at the hands of western imperialists from the 1840s, has a significant impact on the nature of Chinese national identity. China's economic rise since 1990s provides it an opportunity to regain its feeling of national pride and, at the same time, to erase its humiliation.

For constructivists, whether China poses a threat to East Asia is not determined by China's substantial growth in economic and military might. Rather, it is about imagination. In other words, it depends on the perceptions of how other states interpret China's behaviour (Alagappa 1998; Kang 2004). In order to evaluate the perceptions of states, Alagappa suggests examining the strategies that other states use to deal with the rise of China.

Some constructivists, such as Kang (2004), hold an optimistic view on China's rise. For Kang, East Asian states have accommodated rather than balanced China's emergence. The absence of balancing against China is originated from a mix of interests and identities. In particular, identity is central in framing how regional states interpret China's rise (Kang 2007, p.4). Kang argues that East Asian states share many similar views and principles with China regarding sovereignty and non-interference in domestic affairs. Meanwhile, Southeast Asian states have deep ethnic, cultural and historical ties with China.

Kang's view seems over-optimistic. To some extent, the conception of sovereignty is definitely important. It can be seen from China's refusal to use multilateral institutions to solve sovereignty disputes, such as the South China Sea dispute. However, Kang cannot explain why the sovereignty identity, among the numerous factors and tradition in Chinese history and experience, is the most important factor in shaping its current national identity. It is still ambiguous as to under which condition the sovereignty identity plays a more important role than other aspects, such as great power identity, in China's identity formation. In addition, Kang could not give a decisive answer to the question whether China's 'peaceful rise' character will remain in the future, if China achieves unquestioned great power status.

Some other constructivists, such as Muthiah Alagappa (1998), consider that the rise of China poses a certain challenge to the international community and to East Asia. The China threat, he argues, comes from the perceptions of other states, which view China's behaviour as a threat to their security. These ideas have been shaped by military or economic competition. This competition has created their fears and mistrust.

However, according to Alagappa (1998), East Asian states do not have a common perception about the China threat. Some, such as Vietnam and Taiwan, perceive China as a real threat. Some others, such as South Korea, Thailand, are aware of China as a big power, but do not perceive it as a threat. Still others, such as Indonesia and Malaysia, feel a degree of threat from

⁷ Generally speaking, 'Century of Humiliation' refers to the hundred years of national humiliation. It is about the period that China suffered at the hands of imperial foreign powers, from the First Opium War in 1840 to the establishment of the People's Republic of China in 1949.

China. Their concerns come either from South China Sea dispute, or from the existence of economically powerful Chinese communities in their states.

4.3 Explaining China's engagement in regional cooperation in East Asia since the late 1990s

In constructivist view, two ideational factors could contribute to China's enthusiasm towards regional cooperation in East Asia (e.g. ASEAN Plus Three) since the late 1990s. First of all, China's perception of regional institutions and regional cooperation has been going through a huge change, from suspicion in the early 1990s to enthusiasm in the late 1990s. Since the early 1990s China has started to participate in regional institutions in Asia. Kuik (2005) illustrates that in the early 1990s China remained suspicious about regional institutions, such as APEC and ARF. In China's perception, these institutions might be used by some other states to challenge China's sovereignty or to limit its strategic choice. Accordingly, China's participation in these regional institutions was mainly passive. After a period of participating and observing for several years, China gradually saw regional cooperation as a useful diplomatic way to promote its own foreign policy goals. The shift in perception caused a change in China's actual participation in these regional institutions. In other words, China's growing active involvement in regional cooperation in East Asia was partly attributed to China's early experience in regional institutions, which not only shifted China's perception of regional cooperation, but also improved its confidence towards regional cooperation.

In addition to the shift in perception, the Asian Financial Crisis in 1997-98 contributed to China's pursuit of regional cooperation in the post-Crisis era. For Stubbs (2002) and Terada (2003), the Asian Financial Crisis in 1997-98 helped to promote the emergence of an 'East Asia' identity and self-other distinction. In this sense, the Asian Financial Crisis, as a shared experience among East Asian states, helped China (as well as other East Asian states) to realize that East Asian states are interdependent with each other and belong to the same area. In this context, the Chinese government could be seen as having concluded that it was imperative to establish a regional approach to deal with the similar issues in the future.

4.4 Limitations of Constructivism on China's rise and regional strategy

Constructivism adds a social dimension which realism and liberalism ignore. However, the constructivist view on China's rise and its regional strategy is limited in two aspects. First, little attention has been given to the Chinese view. The existing literature on Chinese perceptions of its rise and its regional cooperation in East Asia is inadequate. Most of the work is based on Western perspectives. The Chinese side of the story needs to be heard. On the one hand, the views of Chinese policymakers on regional cooperation as well as on the East Asian powers—Japan and the US—have not been sufficiently and systematically explored in relation to its self identity and regional role. After all, they influence the thinking of government decision making and are primary sources to their thoughts. An exploration of their perspectives on regional cooperation is valuable. On the other, the original Chinese sources have not been fully

addressed to analyze Chinese perceptions of regionalism. Even though some address Chinese perception, such as Gries (2004), this work is short of theoretical and systematic depth. There is a lack of a deep application of constructivist theories to the examinations of Chinese perceptions. How does Chinese view the so-called 'shared regional identity' in East Asia in relation with its self-identity and its regional role? How does Chinese national identity (great power identity or sovereignty identity) play a role in shaping China's regional strategy in East Asia?

Second, constructivist approaches do not adequately address the question of why the ideational factor (shared value or regional identity) is more important in pushing China to pursue regional cooperation than material interests (economic or military interests). As discussed before, constructivists emphasize the emergence of a shared value or regional identity in China as well as other East Asian states. How important is this 'emerging regional identity' in influencing China's outlook of regional strategy? Is keeping the sovereignty identity becoming less important in China's regional policy in East Asia than achieving economic or military interests? Have regional cooperation had much impact on China's sovereignty conception?

5. CONCLUSION

Overall, realism, liberalism and constructivism have offered valuable theoretical perspectives on China's rise and regional strategy. Realist perspectives attempt to understand China's regional behaviour on the basis of power and the structure of the international system. Liberal/neoliberal perspectives emphasize the importance of international institutions and seek to explain China's regional posture in the context of economic interdependence. In addition, constructivism provides an ideational source of international relations and stresses the influence of national identity, culture and belief on China's foreign policy behaviour. These different perspectives in the existing literature provide useful insights for the further exploration of the reasons why China has actively pursued regional cooperation in the framework of APT since the late 1990s.

However, all these perspectives fail to fully explain China's new active posture and strategies towards regional cooperation in East Asia in the post-Crisis era. The economic interdependence perspective cannot provide satisfactory explanations of the complexity of Sino-Japanese relations in the APT or the Taiwan issue. The China hegemony perspective fails to explain the reason why China actively supports the Chiang Mai Initiative and Asian Bond Markets Initiative in which Japan plays a central role, or accurately evaluate China's hegemonic capability in East Asia in the post-Crisis era. Constructivism alone cannot provide a satisfactory answer to the question why or/and in which conditions ideational factors, rather than material interests, are the most important factor influencing China's regional posture in East Asia.

Here, one size does not and cannot fit all. All three perspectives are too general and too simplified to explain China's strategy. They fail to see that China's involvements in regional cooperation are not the same in different areas. For instance, in the area of regional trade

cooperation, by promoting the FTAs China is leading the process. In regional financial cooperation, China's role seems to be much weaker than Japan. Why in a specific area or at a specific time did China adopt one strategy rather than others?

Each theoretical framework alone is inadequate for a comprehensive understanding of China's regional behaviour. To be sure, each perspective is important. However, they seem to isolate the factors of power, interests and identity. Each of them emphasizes one factor at the expense of others. As Katzenstein and Okawara have said, 'the complex links between power, interest, and norms defy analytic capture by any one paradigm. They are made more intelligible by drawing selectively on different paradigms – that is, by analytical eclecticism, not parsimony' (Katzenstein and Okawara 2001: 3). It is necessary to explore the interconnection between power, interest and identity, rather than separating them. In this sense, only a combination of material interests (powers, interest, geopolitical strategy, etc.) and ideational factors (national identity, ideas, values, etc.), and attention to both the domestic level and the systematic level can deepen our understanding of China's regional behaviour and strategy. Therefore, a more eclectic approach on China's regional strategy in East Asia could be helpful.

In addition, this article has also demonstrated that the existing literature lacks a systematic and in-depth examination of Chinese perspectives on regional cooperation in East Asia since the late 1990s. While the Western perspectives on China's regional strategy in East Asia have been well explored, work on Chinese perspectives of this issue remains insufficient. On the one hand, the rich and diverse Chinese language sources emerging from the late 1990s to 2000s have not been sufficiently exploited to examine Chinese perspectives on regional cooperation. On the other hand, there has been a lack of work which examines Chinese perspectives in a systematic and in-depth theoretical manner. To some extent, the inadequacy is understandable due to the complication of Chinese languages as well as the lack of information openness and liberalization in China. In order to fill this gap, we should explore Chinese perspectives on regional cooperation in East Asia by extensively exploring Chinese sources and materials.

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