

Conclusion: Living with China, but Loving It?

*Amitav Acharya*¹

Introduction

The broad purpose of the *Living with China* project is to ascertain how China's neighbors have responded to its rise and what explains their response. But a particular and distinctive aim of this project is to examine these responses with the prism of crisis management. Such a focus is justified not only because, as the Introduction to the volume notes, it is a relatively understudied aspect of the burgeoning literature on China's relations with its neighbors, but also because it helps us understand three things that the more general assessments of the relationship tend to obscure.²

First, no theory of international relations, including the most optimistic ones, claims that relations between or among nations could be free of crisis. For example, the concept of security communities, which posits the "unthinkability" of war among a group of states, only goes as far as to suggest that conflicts of interest among nations can be resolved peacefully, rather than be entirely avoided. Hence, the study of crisis and conflict of interest is a core element of any understanding of international order.

Second, how nations respond to a crisis offers a crucial test of the difference between official rhetoric and the actual feelings about Chinese power (e.g., China as "threat" versus China as "opportunity"). Hence, India did not hesitate to call China a threat to India's security in order to justify India's nuclear tests in 1998. The crisis in China – South Korea relations over the historiography of the ancient Koguryo kingdom revealed the extent of misgivings that Koreans feel about China, which are obscured in the overly pious statements by their political leaders.

Third, the modalities, habits, and practices of crisis and conflict management that develop among states often provide the most important building blocks for creating international order. The reshaping of Asian regional order by the rise of China constitutes no exception.

In this concluding chapter, I take up the question of how China and its neighbors have responded to various crises that have tested their relationship over the past two decades.³ After presenting a brief overview of these crises, I discuss the lessons of these crises and their management by involved parties for China's relationships with the region. I conclude with observations on what the crisis behavior of China and its neighbors says about their overall relationships. Are there any salient and common features to be found in the responses of China's neighbors as they learn to live with the rise of Chinese power? The Asian states may be learning to live with a fast-rising China out of necessity or expediency, but are they really loving the experience?

Before I proceed further, it is important to emphasize an obvious but important point: there has been no case of war or near-war situation involving China and a sovereign Asian neighbor (this excludes Taiwan and the United States, the latter relevant because of the crisis over the EP-3 surveillance plane incident in 2001)⁴ since the Sino-Vietnamese war and since Deng Xiaoping launched the reforms that set China inexorably on the path to great power status. The India-Pakistan Kargil conflict in 1998–1999 and the mobilization of forces by both sides in 2002 was the closest the region came to a war, but it did not involve China, although China was important to the management of the two crises. The closest the region has come to military conflict involving China was the Taiwan Straits crisis of 1986, where the other party was the United States rather than any of China's Asian neighbors. The Mischief Reef incident of 1995 was perhaps another close call, but as Aileen Baviera in this volume points out, an outright confrontation over the dispute was highly unlikely, not the least because of subsequent Chinese restraint.

China and Regional States through Crises

As the essays in this collection show, the types of crises involving China cover a wide range, which in itself attests to the breadth and complexity of China's regional interactions. Some are crises that have occurred in a country's bilateral relations with China, such as India invoking the China threat in conducting its nuclear tests, or the Mischief Reef incident between the Philippines and China, or the controversy over the Koguryo kingdom in South Korea – China relations. Others are crises that do not involve China as a direct party but are between two other nations, at least one of which has a substantial security relationship with China. The case of Pakistan fits this category. While Pakistan has not had a crisis with China, China was an important factor in Pakistan's calculation (or miscalculation, as the chapter shows) of the stakes and dangers involved in its dealing with India over nuclear tests, Kargil, and the terrorist attacks on the Indian Parliament. Still others are regional contingencies that have little to do with

China, and yet the Chinese response has been important to crisis management. The Asian financial crisis and the Indian Ocean Tsunami of 2004 constitute examples of such crises.⁵

It is also important to note at the outset that Chinese policy has rarely been a direct cause of these crises. The only real exception may be the Koguryo case, in which the Chinese Foreign Ministry's removal of Korea from its Web page along with the fact that the report implying Koguryo kingdom was a Chinese vassal was sponsored by the Chinese Academy of Social Sciences—a government-funded outfit—sparked the controversy. It can be argued with some justification that the rise of China, rather than Chinese strategic behavior per se, was behind some of these crises, such as the Asian financial crisis (which was caused not by deliberate Chinese action, but by the economic pressures created by competition from China), and Koizumi's Yasukuni visits (which can be partially explained by Koizumi's misgivings about China's rise at a time of Japan's own economic stagnation).

In other cases, the rise of China was only an incidental factor. The Philippines-China dispute over the Spratlys had little to do with the rise of China, and the Indian justification of its nuclear tests was mostly a self-serving rationalization, even though it had some roots in Indian anger over alleged Chinese assistance to Pakistan's nuclear program.

Excluding Taiwan and the United States, which are not studied in this book (although one may derive some insights about them from these case studies), the crises that have occurred in China's relationship with its neighbors and which are analyzed in this volume fall into five categories:

- Crises over territorial disputes (the Spratlys dispute between China and the Philippines)
- Crises over history and identity (China and Japan, China and South Korea)
- Violence against ethnic Chinese populations (Indonesia, although one could also add Malaysia)
- Crises over nuclear proliferation (India and Pakistan, North Korea)
- Transnational and nontraditional security issues (the Asian financial crisis of 1997 and the Indian Ocean Tsunami of 2004; one might add the Sino-Russian dispute over migrants and energy security).

Although this list is not exhaustive, the items do tell us much about the perception of China in the region, as well as China's regional influence and role, both as part of the problem and part of the solution to major issues of Asian security order. What follows is a brief analysis of each of the above categories with a view to ascertain the approach of China and the parties to the crisis.

Territorial Disputes

Perhaps the single most important trend in Chinese foreign policy in the reform era is its willingness to settle its land boundary disputes with its neighbors. It is the most concrete indication of how China links its domestic agenda with foreign policy. Few other areas provide a more convincing illustration of China's policy of seeking a stable regional environment within which to pursue its economic development.

What is striking here is that with the major exception of India, with which prolonged negotiations have yet to produce a decisive result although both sides are managing their boundary dispute with the help of confidence-building measures, China has sought border peace with its neighbors, large and small.

Apparently, in dealing with Russia, China's biggest neighbor, on border demarcation, China "did everything it could to smooth the way," as Lukin's chapter notes. China went the distance, even to the extent of being sensitive to Russian public opinion, offering important concessions, allowing Russia to keep some of the sensitive portions of the disputed land (such as the site of graves of Soviet soldiers believed to have been killed in the 1938 conflict with Japan), and even backing away from its unilateral claim to the Tumen River. The Sino-Russian border negotiations also formed the basis of the development of one of the most important examples of regional cooperation on the post – Cold War Eurasian landmass: the Shanghai Cooperation Organization (SCO). Beginning as a multilateral agreement on confidence-building measures (although it started as a bilateral project with the former Soviet Union and became multilateralized after the collapse of the Soviet Union), the SCO has become an important pillar of China's regional strategy. China has also opted for land border peace with another former rival, Vietnam, with which it negotiated bilateral agreements in 1999 and 2000 on their land borders.

What explains China's emphasis on reaching land border agreements with its neighbors? Taylor Fravel believes that it was regime insecurity that largely explains China's willingness to compromise (or, more specifically, offer concessions) when settling border disputes: concessions to neighbors on border issues is rational for a Chinese regime that is facing serious internal threats, since border peace generates border pacification and external stability.⁶

Challenging Taylor Fravel's monocausal explanation focusing on regime security, Alexander Vuving's "grand strategic fit" argument offers a more geopolitical view. Vuving argues that China's willingness to come to terms on a border agreement with Vietnam was "aimed at keeping Vietnam near the Chinese orbit as Vietnam had attempted to veer toward the United States."

The two explanations need not be mutually exclusive. Moreover, the importance of a third factor cannot be ignored: settling land boundary disputes

enabled China to devote more resources to the maritime domain, which was becoming increasingly important for a number of reasons.

The Spratly Islands dispute in the South China Sea, involving China, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei, has been a major source of tension between China and its neighbors in the post – Cold War era. But initial apprehension that it might become the major flash point in Southeast Asia has not materialized. The dispute has, however, provided the most serious crisis point in China's relations with the Philippines, especially in the form of the Mischief Reef incident in 1995. In examining Chinese handling of this crisis, Aileen Baviera argues that while China acted with restraint in defusing the crisis, this restraint had its limits: China's restraint owed to a certain extent to a desire not to become a "target" of the U.S.-Philippines alliance. Despite the Declaration on the Conduct of Parties in the South China Sea—which is not legally binding—the South China Sea remains a potential source of tension between China and ASEAN, even though other, more pressing issues such as Taiwan and the need for harmony with ASEAN might have led Beijing to put the conflict onto the back burner. (For ASEAN, the impact of the Asian financial crisis of 1997 and intra-ASEAN differences might have led to a less confrontational stance.)

It is certainly significant that China has been less accommodating in handling its maritime disputes than in settling its land boundary issues (with the notable exception of India). Aside from the Philippines, China's reluctance to compromise over its maritime claims has also been noticeable in its relations with Vietnam (in the South China Sea) and Japan (Diaoyu/Senkaku Islands). This fact has several possible explanations.

For China's increasingly trade-dependent economy, the potential for under-sea resources to satisfy its growing hunger for energy and other natural resources must be an important consideration. And then there is the perceived possibility that the United States, the dominant maritime power, might seek to impose a containment policy on China viewed as a "peer competitor." As such, maritime waterways that may be controlled from the islands under dispute are of far greater strategic significance to China (and to the other regional actors as well as the United States). Another reason is China's earlier reluctance to embrace the Law of the Sea as the basis for settling maritime disputes, because it will undermine the salience of its claims that are mostly made on a historical basis. All these factors make China less willing to compromise regarding maritime disputes. Finally, China has in the past insisted that confidence-building measures (CBMs) that work in the geopolitical landmass do not necessarily apply to the maritime domain. Hence, China was willing to apply the lessons of the CSCE/OSCE approach to CBMs, which basically covered the continental European theater in the Eurasian landmass, but saw little relevance of the same multilateral model for what it considered to be the predominantly maritime

region of the Asia-Pacific. Hence, it has opposed adopting CSCE/OSCE-style CBMs for the ASEAN Regional Forum and other Asian regional multilateral institutions.

History and Identity Crises

The two cases of history and identity crises that have received attention in this volume are one between China and Japan and one between China and South Korea. The first of these is certainly severe and far reaching, while the latter is somewhat unexpected.

The history factor in the crisis in Sino-Japanese relations must be kept in perspective, as the essay by Haruko Satoh argues. To a very large extent, history only became a recurrent issue in Sino-Japanese relations after Japanese leaders—especially then prime minister Koizumi—repeatedly visited the Yasukuni Shrine, thereby inviting Chinese criticisms. Koizumi's move also reminded Japan's neighbors of its wartime role and spurred regional misgivings about Japan.

Koizumi's visit to the Yasukuni shrine was driven partially by his personal convictions and partially by Japanese domestic politics. One can also argue that his move (and the movement he and Shinzo Abe represented) reflects Japan's desire to become a "normal state" while China is rising. In a way, the real history issue shaping Japan's response to the rise of China might have been Japan's history with America, rather than China. It was Japan's desire to be a "normal state"—to step out of the shadows of a subordinate status that it had embraced in defeat in the hands of the United States—that has predisposed Japan to fear China's rise and respond with a nationalistic stand symbolized by Yasukuni visits. This response was also due to another point of history: the fact that Japan did not have to deal with China as an equal for quite some historical time has come to an end.

In sharp contrast to the crisis in Sino-Japanese relations, the crisis between South Korea and China was provoked by China, not the Chinese state but state-sanctioned history projects that presented the Koguryo kingdom—which Koreans consider the ancestors of their nation—as part of China's history. Hence, the crisis was viewed by some in Korea as evidence of China pursuing a Sinocentric geopolitics. This perspective reinforces the arguments of those who see the rise of China as returning East Asia to the classical Chinese world order, although disputes remain as to whether this order was ever a benign one and whether it will be accepted as such by China's neighbors. Strikingly, Chung argues that it was South Korea, rather than China, that was instrumental in diffusing the Koguryo crisis. We need more evidence to support his view and I am sure there could be disagreements over it.

If correct, however, then China's behavior in this case contradicts its behavior in other cases where Beijing's restraint was more important in lowering tensions and producing agreement (see below). Chung further suggests that Beijing might have deliberately kept the Koguryo issue alive or at least did not do enough to put an end to it for good. Does this suggest limits to Beijing's self-restraint and willingness to offer concessions to neighbors to mitigate their fears of China's rise? It surely tells us that Beijing is not always willing (or able) to diffuse tensions with its neighbors, especially when history is at stake. The basis for this supposition is stronger when one also looks at the Spratlys conflict (where Chinese claims are based on history, rather than the Law of the Sea) and the dispute with India over the Tibetan border (where China's claim to Tibet as a whole is also based in history). Thus, one can argue that China may have good reasons to keep some particular history issues alive.

Is China the world's first *history superpower* then? Will history and identity trump expediency and tactics as determinants of its crisis behavior? Since history and identity are closely linked with domestic politics and nationalism, both crucial to the legitimacy of the Communist Party's rule, this is not a far-fetched view. Further research is needed before one can offer definitive answers to the question, but it is an important one for students of Asia to ponder.

Crisis Over Ethnic Chinese Populations

Anti-Chinese riots are hardly a novel issue in China's relations with its neighbors to the south. In Southeast Asia, the "overseas Chinese" have been the victims of choice, especially in Indonesia and Malaysia. The most recent and one of the most brutal outbreaks of this kind of riot occurred in Indonesia, in the wake of the mass uprising that toppled the Suharto regime.

Rizal Sukma's analysis shows that China's official reaction to this crisis was more muted (even though it allowed demonstrations by Chinese students in front of the Indonesian embassy in Beijing) than that of the international community, a striking fact in itself. Sukma explains China's stance in terms of political calculations: "Beijing seemed to understand the sensitive nature of the problem in its relations with Indonesia and took great care not to risk a serious diplomatic blunder." When the Chinese government finally expressed concern after two long months of both public and private silence and called on the Indonesian authorities to investigate the atrocities committed against the ethnic Chinese, it took great care not to rock the diplomatic boat by avoiding being harsh and demanding. China stressed that it regards the matter as Indonesia's domestic affair, as expressed by China's ambassador to Indonesia: "The Chinese government must not act as if it could be the chef in somebody else's kitchen." Moreover, China continued its assistance to Jakarta to mitigate the impact of

the economic crisis that had caused the Indonesian revolution and riots in the first place.

Sukma points to a similar “maturity” on the part of the Indonesian government. Jakarta did not take offense to the official Chinese expression of concern over the riots, nor did it offer any specific response to Beijing about them. Jakarta’s restraint was a reaction to China’s own view of the riots as Indonesia’s internal affair and Beijing’s decision not to use the ethnic Chinese card, as well as Beijing’s continuation of aid to Indonesia.

What is the lesson here? One is that restraint begets restraint in crisis management involving China (although this is also a generally valid proposition about crisis management in particular). But a more important lesson may be that China can take a certain degree of domestic risk in order to preserve regional stability. Things might have been different if the pressure on the Chinese government from student protests in front of the Indonesian embassy had gone wilder. Certainly, given the extreme brutality of the anti-Chinese riots in Indonesia, Beijing was taking significant political risk by appearing to do nothing, *even if* one accepts that the Chinese government has the ability to control and manipulate “popular” demonstrations against foreigners for political ends, as demonstrations against Japan and the United States seem to suggest.⁷ But were there other motives behind this apparently “muted” response by Beijing to the anti-Chinese riots? We need more evidence, but one thing appears important. How could China make a big fuss over an incident that occurred within Indonesia’s territory and was sparked by events that were entirely linked to Indonesia’s domestic politics when Beijing itself so vigorously champions sovereignty and noninterference in the internal affairs of states in their narrowest possible sense?

Crises Over Nuclear Proliferation

Few events have posed a more severe challenge to security in post – Cold War Asia than the nuclearization of the India-Pakistan rivalry and the Korean Peninsula. These two cases constitute a distinctive category of crises in China’s relations with its neighbors for three reasons. First, in neither case is China a direct party to the conflict or crisis. Second, in both cases China is a significant provider of aid to one of the parties. Third, and closely related to the above, these crises have created opportunities for China to behave as a “third party” mediator, a crucial yardstick of international influence and, indeed, great power status.

In the case of the India-Pakistan crisis, China might have played a vital role in diffusing the crisis, contrary to popular perception that China might have been a direct or indirect culprit in provoking the crisis. What emerges from the chapters by Singh (on India) and Fazal (on Pakistan) is perhaps one of the

most significant shifts in Chinese regional diplomacy and strategy: its refusal to take sides in the Kashmir conflict that was the basis of the Kargil crisis, while pursuing a policy of what Fazal terms “active neutrality” that complemented the efforts of the United States. What makes this neutrality even more striking is that it came after the 1998 nuclear testing by India, when New Delhi had provoked Beijing by justifying its tests as a response to the “threat” posed by China. Beijing not only tolerated this insinuation but went on to refuse Pakistan its desperately needed partisan support as it faced down one of the largest mobilizations of troops in Asia in recent history.

China’s responses to India’s Pokhran nuclear tests and the Indo-Pakistani conflict over Kargil have been dramatically different: belligerent in the first case and restrained and positive (from the Indian point of view), in the second. Why? In the Pokhran case, China was directly implicated by India as a threat, even though China had not challenged India’s right to acquire nuclear weapons. In the Kargil case, China was not directly blamed. This leads to an interesting proposition: China will exercise restraint in a crisis if it is not directly blamed for it or if China’s own prestige and influence is not at stake.

China’s limited international influence might have been another reason for Beijing’s muting of hostility to India’s nuclear tests. Moreover, the Indian nuclear tests, no matter how provocative, were not a real threat to China, at least in the short term. As such, there was no need for China to hold on to its harsh criticism of India’s nuclear ambitions for too long.

What explains China’s stance on Kargil? Fear of Indian retaliation could not have been the cause because India lacks the means to pose any real military threat to China. Fear of moving India closer to the United States sounds more credible, but this too is a bit of stretching, since India’s ties with the United States could not go beyond a certain point due to domestic politics in India itself, as Beijing would have realized. Economic relations between India and China have grown considerably but not to the point where they would call for such radical restraint.

Perhaps it was another evidence of China’s new diplomacy of restraint, motivated by the desire to create a peaceful regional environment that minimizes distractions to its fundamental task of building up its economy. But if this is the case, what explains China’s relatively less compromising stance on the border demarcation with India, which continues to be a source of friction and tension? Alternatively, China’s behavior might have been motivated by a combination of China’s desire for a peaceful environment *and* a desire to act as a responsible and constructive regional power broker: the hallmark of true great-power status. Here too, we need more research as to Chinese motivations from internal Chinese decision-making sources.

Here, it may be instructive to compare China’s response to the South Asian nuclear crisis with its response to the nuclear crisis on the Korean peninsula

(which was unfortunately left out by Chung in this volume), if merely to highlight the varied roles that Beijing can play in regional crisis management.

Beijing's actions had a moderating impact but were much more direct in the Korean Peninsula crisis than in the India-Pakistan crisis, in which its involvement was largely indirect and carried out in the form of its own unilateral gestures and action (i.e., "active neutrality"). In Korea, China found itself drawn somewhat reluctantly into a multilateral game by the United States, whereas the channels of communication and interaction in South Asia were strictly bilateral and triangular. China certainly did not deploy much of its leverage with either India or Pakistan (which would be limited anyway) because neither country is dependent on Chinese aid to the extent Pyongyang is, a fact that must be borne in mind no matter how defiant of Chinese pressure Pyongyang might appear to be (and how strenuous Chinese pleadings about its lack of influence with Pyongyang might seem).

While the extent to which China's pressure played a part in the eventual backing down by Pyongyang from its nuclear ambition remains unclear, several things are clear. First, China also drew the line on regime change in Pyongyang (which was not an issue in South Asia), because such policy is unacceptable for Beijing, mostly due to its noninterference policy in other countries' domestic affairs and its consequent contempt for the Bush doctrine. Second, China might have calculated that doing nothing meant compromising its opportunity to demonstrate responsibility as a regional power. As such, when Washington was ready to switch strategy toward Pyongyang away from regime change to engagement (albeit through the multilateral six-party talks), Beijing and Washington could then happily work together.

Differences aside, there are important similarities between the two cases. In both cases, Beijing was expected (chiefly by the United States) to rein in long-standing allies: Pakistan from backing cross-border terrorism against India and North Korea from acquiring nuclear weapons that would threaten South Korea, Japan, and the United States itself. In both cases, China's interest and the interest of the United States converged, even though they fell short of the metaphor of a Sino-U.S. *condominium*. The relative importance of these factors needs further study, as it would tell us much about China's role as a regional mediator and peacemaker as an inevitable component of its new diplomacy and self-professed peaceful rise.

Transnational Crises Over Nontraditional Security Issues

If we put regional perceptions of China's crisis behavior on a spectrum from most positive to least, the set of issues that might be regarded as transnational crises must rank at the very top of the positive end. Few issues have helped

more to raise China's regional image and give a more vivid sense of China as part of the solution to Asia's challenges than the Asian financial crisis of 1997 and the Indian Ocean Tsunami of 2004, which have been studied in this volume, as well as the SARS epidemic, which has been left out.

Although China was partly the cause of the Asian financial meltdown of 1997, it had most to gain politically from its refusal to devalue its currency, which might have considerably worsened the impact of the crisis. China certainly exercised economic restraint during the crisis, although the cost of China's restraint for its economy has not been adequately documented.

China's response to the Indian Ocean Tsunami is a different matter. The crisis had nothing to do with China (unlike the SARS crisis; SARS originated in China and Chinese secrecy was a major cause of the rapid spread of the virus). The financial burden of providing relief was insignificant considering China's growing economy. Although Beijing was not the most important provider of relief—that distinction goes to Japan (spurred in part by its rivalry with China), and the United States, Australia, Singapore, and India all contributed crucial or important effort—China's aid for the Tsunami-devastated countries did help China to further consolidate its growing reputation and "soft power" in the region. Most evidently, China further mitigated the public's and the elite's negative perceptions of China in Indonesia, the worst victim of the disaster.

An interesting unintended consequence of states' reaction to these crises has been the increasing role of multilateral forums to organize regional collective responses. The 1997 financial crisis spurred the ASEAN + 3 (APT) group, which became the first regional institution to undertake regional financial cooperation. Later, the APT formed the basis of the East Asian Summit and the East Asian Community idea, in which China has played a central role. The Tsunami led to the organization of multilateral response such as a regional early warning system. Moreover, organizing collective responses to natural disasters has formed an important part of the agenda of the EAS. This in itself is important to China's strategy of living with its neighbors. Ironically, however, China's active support—perhaps too active for some countries—in these "East Asian" forums has stoked suspicions and misgivings among some of its neighbors, resulting in the invitation to Australia, New Zealand, and India to participate in the EAS. This is still another of those unintended (and thus unpredictable) consequences.

The Patterns of Living with China

The essays in the volume, and the preceding discussion in this concluding chapter, permit several conclusions pertaining to China's relationships with its neighbors. While the overview chapter by Li Mingjiang has offered a wealth of

insights into what shapes China's approach to the region from Beijing's vantage point, the observations here capture some of the most important reasons from China's neighbors for their growing comfort level with China, although the limits of this comfort are also identified and recognized.

How are China's neighbors coping with its rising power? There is little evidence of a common regional strategy of living with China or dealing with crises involving China. But this is only to be expected, in a region as vast and diverse as Asia. Even subregional commonalities are difficult to discern. While ASEAN speaks of engagement of China as its preferred common approach, looking at relations at the bilateral level and focusing on crises allows us to discern important variations even among the ASEAN members, with Malaysia and the Philippines occupying two ends of the spectrum among the countries studied. In general, though, the attitude of Southeast Asian states toward China has undergone profound changes, with one of the most dramatic improvements having taken place in Indonesia's attitude toward China. Indeed, it is difficult to discern the kind of division within ASEAN that once marked its attitude toward Vietnam following the communist takeover there, when Malaysia and Indonesia preferred engagement while Thailand and Singapore advocated confrontation. No such stark divisions mark ASEAN's current policy toward China.

Much of the reason for this has to do with the perceived economic opportunities afforded by China's rise, even though the same rise has posed significant economic challenges to China's less-developed ASEAN neighbors, as Liang Ruobing's chapter testifies. Regional states have pragmatically accepted China's rise as a fact of life that cannot be stopped and thus hope that the benefits of economic and political engagement will outweigh its risks and dangers. This perception drives the policies of almost all of China's neighbors, large or small, irrespective of subregions, whether South Korea, India, or Indonesia.

But other factors have moved them toward a more favorable view of China's rise. Three are especially important.

First, the availability of multilateral forums for dealing with China has helped. While critics of multilateralism dismiss regional institutions as talk shops, what they fail to realize is that these regional institutions have contributed to an enhanced sense of confidence among the region's weaker states in dealing with a giant and rising neighbor. This is, after all, a principal function of regional multilateralism, an important benefit of which, as its proponents have argued, is to give small and weak states a voice and a clout that they cannot muster through their own devices. The chapter on the PLA by Colonel Qi, an active PLA officer, offers valuable insights that clearly demonstrate the importance of multilateralism in inducing China's changing regional security strategy. As he points out, the PLA's thinking on regional security has been influenced by norms of common and cooperative

security, espoused by groups like the ASEAN Regional Forum and the Shanghai Cooperation Organization (SCO), to which the PLA “attaches great importance” “Today, the PLA is an integral part of China’s participation in multilateral regional cooperation.” This has led to policy shifts, especially the acceptance by the PLA of the need for confidence-building measures.

In sum, multilateral institutions have provided a conducive environment for Asia’s “Living with China”—a situation in which weaker and smaller powers learn to live with the inevitable rise of a neighboring power, when that power has benefits to offer, provided it is willing to play by the rules developed by the weaker states (often through regional institutions). At the same time, multilateral institutions have also offered China the opportunity to exercise its role as a regional leader and move cautiously beyond Deng Xiaoping’s “China should not lead” policy, as is evident in Beijing’s proactive posture on military cooperation through the development of the ARF’s strategic policy dialogue initiative. This willingness of China’s neighbors to constructively engage China constitutes a powerful “pulling factor” for China to return the favor by engaging its neighbors in a constructive way, as Li Mingjiang forcefully argues.⁸

A second contributing factor may be the growing dissatisfaction with U.S. policies, especially its unilateralism and conduct of its war on terror under Bush.

This anti-Americanism is to be found especially among the Muslim-majority nations of Southeast Asia such as Malaysia and Indonesia, where anti-Americanism has been on the rise since the United States launched its war on terror. Of course, anti-Americanism at the grassroots level does not translate into official policies, and the United States continues to enjoy good relations with most of China’s neighbors even though popular perceptions of America in these countries have turned negative. Moreover, anti-Americanism even at the popular level could be a temporary phenomenon that will play itself out once the Bush administration leaves office.

Yet there can be little doubt that the lurking anti-Americanism has provided some space for China’s charm offensive to flourish, although we are not sure whether Beijing has purposefully conceived its “charm offensive” to this end and adeptly exploited America’s distraction and the growing anti-Americanism in some parts of the region to give further expression to a policy that had its real origins in its “developing a peaceful neighborhood” policy to sustain ins economic growth.

But the third and most important factor behind the favorable attitude of China’s neighbors toward its rise is the approach and policies adopted by China itself. Few Asian nations buy into all the official rhetoric from Beijing about its “new security policy” or the doctrine of its “peaceful rise.” What they have looked at, however, is the *practice* of Chinese regional diplomacy: the

policies that China has actually pursued. And it is here that crises and crisis management practices assume particular importance.

At the core of China's practices in crisis management is self-restraint, often unilateral restraint in dealing with neighbors by avoiding provocations and accepting sacrifices. Whether in responding to India's labeling of it as a threat to justify its nuclear tests, the anti-Chinese riots in Indonesia, or periodic skirmishes with the naval forces of the Philippines, China has avoided provocations. The story of the improving Sino-Russian relationship as examined by Alexander Lukin, including the settlement of their border dispute, crises over Chinese migration to Russia, and energy issues shows that China can be considerably flexible in offsetting Russia's muddled decision-making processes.

An exception may be Vietnam, where the settlement of the bilateral border dispute was less due to Chinese restraint than to exploiting a window of opportunity for strategic gain. As Vuving's analysis notes: "China was more assertive than Vietnam in making its claims and it did exploit this asymmetry of desires not to strengthen the Hanoi regime but to minimize its own concessions." Moreover, China's willingness to come to terms on a border agreement with Vietnam was "aimed at keeping Vietnam near the Chinese orbit as Vietnam had attempted to veer toward the United States."

Nonetheless, the restraint we have seen in many cases of regional crisis is mostly China driven. In almost all cases, Chinese policy played a critical role in diffusing tensions and deescalating the crisis. The outcome has thus been shaped by China to a considerable extent. There is an overwhelming picture of China offering concessions, leading many to view China's diplomacy as "mature" and a force for stability for the region.

Moreover, China has emerged as a provider of regional collective goods, especially at times of a regional crisis. Prominent examples include its crisis-time policy of not devaluing its currency to prevent a further deterioration of the 1997 Asian financial crisis, its contribution of aid to the Tsunami-affected countries, and its willingness to cooperate with its neighbors in combating SARS after the initially disastrous policy of maintaining secrecy.

These crisis management practices would perhaps matter less had they not come at the backdrop of other policies where China is seen as the provider, or likely provider, of regional public goods. The free trade deal with ASEAN is one such example, reinforcing China's role as a regional integrator by being the hub of East Asia's new transnational production networks. China's success in reaching land boundary agreements with all but one of its neighbors, its willingness to set aside the issue of sovereignty and agree to the terms of a code of conduct on the South China Sea, and its acceptance of demands to include non-East Asian countries in the East Asian Summit have created the impression that China is not only willing to be engaged by its neighbors according to their rules, but it has moved toward the posture of engaging its neighbors.

Toward an Explanation of the Pattern

The case studies in the volume also suggest the differing impact of the various factors at play in shaping China's relationship with its neighbours.

International relations theory may have a hard time explaining the various patterns of regional states' living with China.

The theme that emerges from this book certainly suggests that Asia is not yet "ripe for rivalry." But neither is it heading inexorably toward Sino-centrism. What we see is a general regionwide desire to live with China and its rise by being watchful, benefiting from it whenever possible, responding favorably to China's positive overtures, and developing proactive approaches to engage it both bilaterally and through regional institutions. Realist formulations, such as balancing, bandwagoning, or hedging, are not helpful in describing this complex and multifaceted range and combination of responses because they are too imprecise as measuring devices. But what emerges unmistakably from this volume is little evidence of bandwagoning of the kind that might presage the construction of a Sino-centric Asian security order.⁹

Living with China does not mean accepting Chinese suzerainty, even the most ritualistic or informal variety. Historical parallels and cultural constructs, the staple of one variety of constructivism, are of limited use in conceptualizing and explaining the contemporary urge in Asia for living with China.

The pattern of Chinese self-restraint seen from its crisis management behavior fits better into some of the liberal-constructivist formulations about institutional self-binding, although its most famous expression, by John Ikenberry, needs to be seriously qualified. In Ikenberry's account, self-binding does not occur during hegemonic ascendancy (which applies to China), but only "after victory" (which does not). Moreover, the hegemon is supposed to initiate the binding process and dictate its terms (hence "self-binding").

In the case of China, before it saw merit in actively engaging its neighbors, it was the neighbours that saw merit in binding China while eschewing bandwagoning. ASEAN deserves much credit for it, and it is from the ASEAN experience that we may find the formula that might create the most favorable conditions for living with China. Indonesia under Suharto reversed its predecessor's attitude of indifference (or contempt?) for developing subregional cooperation, preferring instead a policy of confrontation. Suharto's central role in regional cooperation lay in the belief that if Indonesia could show restraint toward its neighbors, the latter would reciprocate by recognizing Jakarta's role as the *primus inter pares* of Southeast Asian diplomacy. In short, reform-minded Indonesia allowed itself to be placed within a "golden cage," breaking out of which would have been possible only at significant economic and political cost. This bargain lay at the heart of ASEAN's progress, in marked contrast to India's role in South Asia

or Egypt's in the Middle East. Is the Chinese dragon now moving itself gradually into a "golden cage"?

We need more time and evidence to confirm this possibility. But this volume offers a wealth of evidence that this is not an entirely unlikely scenario. Of course, China is much more powerful, both in absolute and relative terms, than Suharto's Indonesia. But if China's superior material resources can be turned into regional public goods, it will temper the negative implications of the huge disparities between China and its neighbors.

U.S.-China Relations in Regional States' Calculus

No discussion of interaction between China and regional states will be possible without taking the all-too-important U.S.-China relationship into account. Not surprisingly, while the editors allowed great freedom for the contributors to forge their stories and explanations, all the contributors discuss the role of the United States and U.S.-China relationship in their countries' living with China. This is apparent not only for countries that have been U.S. allies or opponents, but also for countries that have been less embroiled with the United States (e.g., Malaysia).

A surprising theme emerges. Contrary to the often simplistic lens of calculating relative gains and losses in Washington and Beijing, regional states are fairly content with the ever-changing status quo. In other words, most regional states are not really too concerned with the U.S.-centric debate on its relative "losing/winning" calculation versus China, as long as the United States does not lose much and China does not gain that much. From regional states' perspectives, perhaps the United States (and to a lesser extent, China) have been too concerned with gauging the relative gain or loss. Most regional states are happy as long as the United States and China get along decently. For regional states, the worst outcome is not whether one side loses some whereas the other side gains some, but rather that the two states have an irreparable rupture in their relationships, due to fear (of each other), greed, or both.

At the same time, however, it is apparent that regional states have been adroit in pitting the two great powers against each other to profit themselves, by exacerbating the two giants' fear and anxiety toward each other (within a tolerable degree, of course). This is especially obvious in countries like Indonesia, Vietnam, Singapore, and, to a lesser extent, Thailand and Malaysia. Of course, this is hardly surprising. Since ancient times, smaller states have honed their skills in living off the "benign" competition between greater powers.¹⁰ As such, much of Washington's anxiety about the rise of China in Asia might have unintentionally served the purposes of some regional states, in addition to the partisan interests in maintaining a robust military industrial complex back in America.¹¹ At the same time, much of Beijing's anxiety that

America is encircling China also inevitably increases the bargaining leverage of regional states over China.

Regional states, however, have also been very careful to avoid fanning the competition between the two giants too much, in case the competition really gets out of hand. They have been careful in showing goodwill to both the United States and China, without appearing to bandwagon with one against the other. Moreover, they have been adamant that they are not interested in forming a tight alliance with one against the other. The status quo in which the two giants compete for regional states' cooperation to hedge against each other suits regional states the best.

In the end, while I may not concur with Robert Sutter's much less optimistic assessment about China's rise in Asia, I tend to agree with his policy prescriptions for Washington (and Beijing). Most regional states would like to see some competition between Washington and Beijing, but they do not welcome hot competition that can get out of hand.¹² As such, both Washington and Beijing should refrain from engaging in tit-for-tat competition with each other. Such competition is counterproductive to their interests, as China has learned from its brief flirtation with a policy of denouncing the U.S.-centric alliance system in Asia.

Final Thoughts

The gains of Chinese diplomacy resulting from its crisis management practices are not without challenges. While they have gone a long way in dissipating the perception of China as a threat to the region, they have not entirely overcome misgivings about its long-term intentions. The case of the Philippines over the Spratlys, and Korea over Koguryo, are but two reminders of this. China's defense ties in the region are growing, but they suggest not bandwagoning with China but confidence building, indicating lingering suspicions of China's strategic intentions that need to be overcome. Colonel Qi's chapter points to several potential hurdles that must be overcome if China is to develop a deep and lasting accommodation with its neighbors, and he suggests room for improvement: "The PLA should make its modernization and strategic doctrines more transparent."

Another potential obstacle may be noted. China's new diplomacy, especially its tendency to make concessions to other parties, is occurring at a time when its prosperity is growing, but will China continue to do so when it experiences an economic downturn? The Chinese concessions are not part of any grand design, but simply pragmatic. The government has found it easier to sell them to the Chinese public because it promises even higher levels of prosperity. But can it do so when the chips are down?

Moreover, can China pursue seemingly contradictory strategies in its regional diplomacy, such as its South Asia policy that is described by Rahman as “good working relations with India and continuing expansion of strategic relations with Pakistan”? Can China maintain good relations with all South Asian countries while its core issues with India—the boundary dispute—remain unresolved? Can South Korea pursue full-scale engagement with China while maintaining its alliance with the United States, especially when its history quarrel with China remains in “hibernation” rather than resolved once and for all? The same can be said about many other conflicts involving China and its neighbors: the Spratlys, the ethnic Chinese issues with Malaysia and Indonesia, and the Yasukuni and history issues with Japan. Are China’s neighbors, encouraged by China’s own policy of “setting aside” the sovereignty question while pursuing joint development of resources in disputed areas, simply pursuing the ASEAN Way of “sweeping under the carpet” conflicts that may one day come back to haunt them? Will the dragon rip apart its golden cage once it has reached a certain level of economic development and military power, as many realists suspect or even confidently predict? Many though not all of the restraints adopted by China are crisis specific rather than formalized through legal institutions, which Asia’s regional groups have generally avoided (although this may be changing now). Breaking out of them will be costly, but not costly enough to be entirely implausible.

Finally, some of China’s neighbors may be pursuing contradictory strategies. Can Pakistan develop strategic relations with the United States while maintaining close ties with China? Can India live up to its rhetoric that its relations with the United States will not come at the expense of China? Can South Korea be both an ally of the United States and a partner of China? Can Japan really reconcile with China while remaining a crucial ally of the United States in Asia? What challenges do these contradictory strategies pose for China’s regional presence?

In sum, there is little question that China’s neighbors are learning, and already have learned, to live with a rising and restrained China. What is less clear is whether they are loving the experience as well. Both sides are certainly deriving major benefits from their closer relationship. But too many worries and suspicions remain to make this relationship a case of true and lasting love.

Notes

1. Amitav Acharya is Professor of International Relations at American University in Washington DC. He was Director of the Center for Global Governance Studies, University of Bristol, United Kingdom. He thanks Tang Shipping and Li Mingjiang for their comments on an earlier draft.

2. It is worth noting here that many crises examined in this volume may or may not have anything to do with China's rise per se. In some cases, the rise of China has been the source of some of these issues. But in other cases, tensions and crisislike situations have arisen over long-term problems that predate the "rise of China" but might have been aggravated by it.
3. Thus, I do not extensively deal with the chapters that do not examine crises (e.g., chapters by Li, Qi, and Lukin), although I do mention them when discussing crises and crisis management.
4. The Taiwan case is *sui generis*. It can be argued—with some justification—that Chinese crisis behavior in a Taiwan crisis is not reflective of its crisis behavior involving its Asian neighbors, because China considers Taiwan an internal issue. While other regional states (e.g., Japan, South Korea, the Philippines, and possibly Singapore) may be drawn into a Taiwan crisis by supporting the United States—which is most likely to be involved, thereby provoking Chinese retaliation—will China regard their support for the United States as an act of war? I would hold that Chinese behavior will depend on the circumstances of the crisis and the level of their support for the United States. But leaving aside crises involving Taiwan and the United States, there is still much in China's relationship with its Asian neighbors that will shape regional order in Asia and is worth systematic investigation, hence the rationale for this volume.
5. The Asian financial crisis in 1997 did, however, have its origins in the vulnerability of Southeast Asian economies to the Chinese economic juggernaut, with a previous devaluation of the Chinese currency in 1994 serving as an indirect trigger.
6. M. Taylor Fravel, "Regime Insecurity and International Cooperation: Explaining China's Compromises in Territorial Disputes," *International Security*, Vol. 30 No. 2 pp. 46-83 (Fall 2005).
7. On the limits of the government's ability to control public anger, see Peter H. Gries, "Tears of Rage: Chinese Nationalist Reactions to the Belgrade Embassy Bombing," *The China Journal*, No. 46 pp. 25-43 (July, 2001).
8. It is worth pointing out that the norms of Asian regionalism, such as noninterference, fit well into China's regime-survival strategy. China's domestic authoritarianism poses no obstacles to good relations within a neighborhood where many nations tolerate or even prefer authoritarianism to liberal democracy. At the same time, the equality of states, part of China's Five Principles of Peaceful Co-existence, reassures China's lesser neighbors.
9. I use the term "bandwagoning" in the conventional usage, meaning joining the stronger coalition or the side that appears likely to win. This conventional sense was pointed out by Randall Schweller in his critique of Stephen Walt's definition of bandwagoning as "giving in to threats." However, Schweller made an unnecessary restriction by distinguishing between the two meanings, rather than subsuming Walt's concept. See Stephen M. Walt, *The Origins of Alliance*, Ithaca, NY: Cornell University Press, 1987; Randall L. Schweller, "Bandwagoning for Profit: Bringing the Revisionist State Back In," *International Security*, Vol. 19 No. 1 pp. 72-107 (Summer 1994).

10. Indeed, not so long ago, when China and Taiwan threw their money around and away to compete for diplomatic recognition, some of the small Pacific Island states and South American and African states have had some really easy time in working out their annual budget.
11. Cries on the relative loss of American influence have been too numerous. See, for example, Jason T. Shaplen and James Laney, "Washington's Eastern Sunset; The Decline of U.S. Power in Northeast Asia," *Foreign Affairs*, Vol. 86 No. 6 pp. 82-97 (November/December, 2007); Victor Cha, "Winning Asia," *Foreign Affairs*, Vol. 86 No. 6 pp. 98-113 (November/December, 2007); Joseph Nye Jr., "The Rise of China's Soft Power," *Wall Street Journal Asia* (December 29, 2005).
12. Robert Sutter, *China's Rise: Implications for U.S. Leadership in Asia. Policy Studies 21*, Washington: East-West Center Washington, 2006, available at <http://www.eastwestcenter.org/fileadmin/stored/pdfs//PS021.pdf>.